# ANNUAL REPORT
## 1978 ~ 1979

# California state board of Equalization

1879 1979

BOARD MEMBERS

GEORGE R. REILLY, SAN FRANCISCO — FIRST DISTRICT
ERNEST J. DRONENBURG, JR., SAN DIEGO — SECOND DISTRICT
WILLIAM M. BENNETT, KENTFIELD — THIRD DISTRICT
RICHARD NEVINS, PASADENA — FOURTH DISTRICT
KENNETH CORY, SACRAMENTO — STATE CONTROLLER

S0835-1

BOARD
MEMBERS

GEORGE R. REILLY
First District

ERNEST J. DRONENBURG, JR.
Second District

WILLIAM M. BENNETT
Chairman
Third District

RICHARD NEVINS
Vice Chairman
Fourth District

KENNETH CORY
State Controller

# ANNUAL REPORT 1978-1979

# CALIFORNIA STATE BOARD OF EQUALIZATION

## FISCAL YEAR ENDED JUNE 30, 1979

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STATE OF CALIFORNIA

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

GEORGE R. REILLY
First District, San Francisco

ERNEST J. DRONENBURG, JR.
Second District, San Diego

WILLIAM M. BENNETT
Third District, San Rafael

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

The Honorable Edmund G. Brown, Jr.
Governor of California

Dear Governor Brown:

We are pleased to furnish to you the Annual Report of the State Board of Equalization for the 130th fiscal year, ended June 30, 1979. It includes a review of revenue activities assigned to the Board and a statement of our expenditures to administer them.

There is also included statistical information concerning both property and business taxes in which the Board is involved with state and local governments.

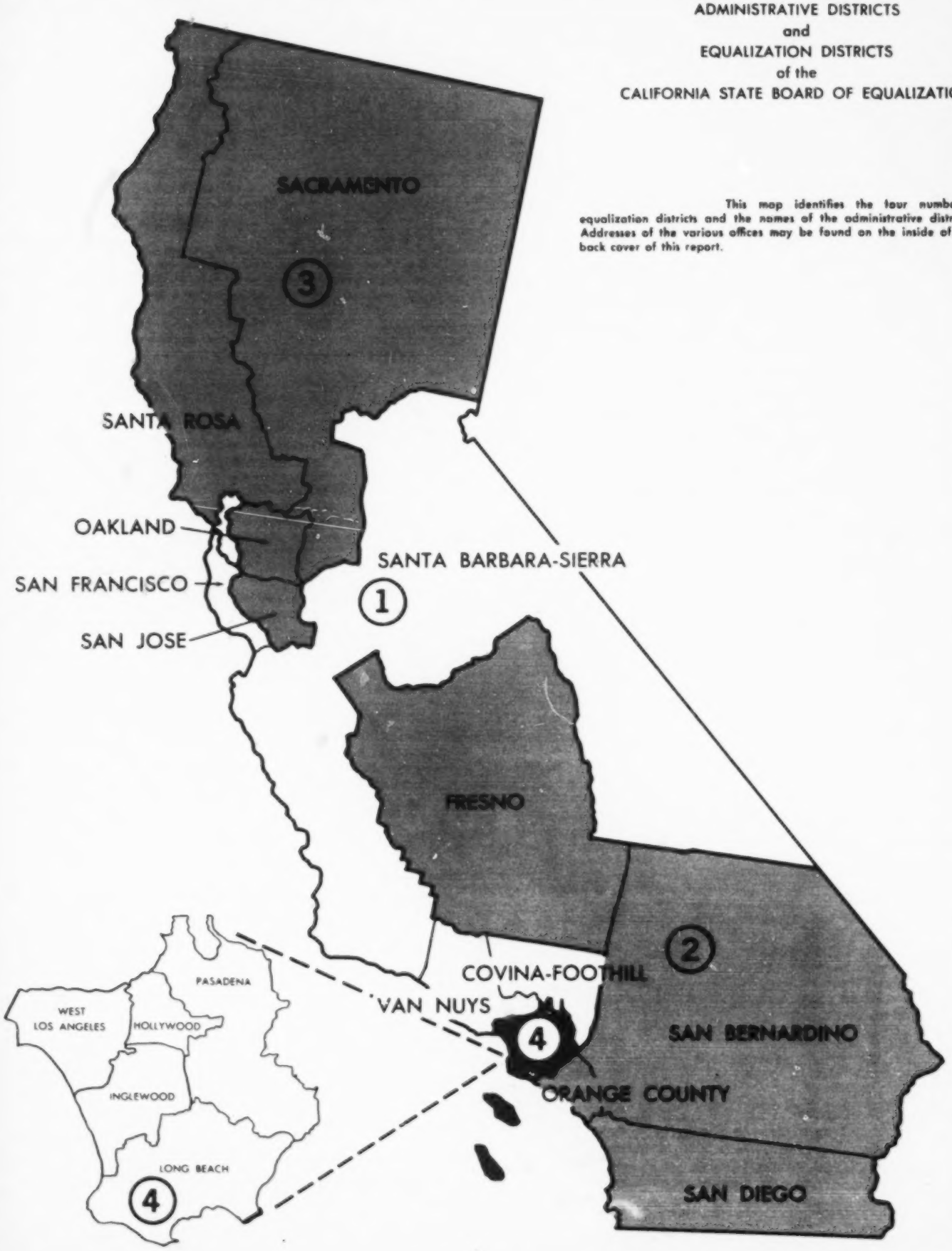
Respectfully submitted,

William M. Bennett, Chairman
Richard Nevins, Vice-Chairman
George R. Reilly
Ernest J. Dronenburg, Jr.
Kenneth Cory, State Controller

Douglas D. Bell, Executive Secretary
December 31, 1979

ADMINISTRATIVE DISTRICTS
and
EQUALIZATION DISTRICTS
of the
CALIFORNIA STATE BOARD OF EQUALIZATION

This map identifies the four numbered equalization districts and the names of the administrative districts. Addresses of the various offices may be found on the inside of the back cover of this report.



# I. BOARD MEMBERS

## First District

### GEORGE R. REILLY

California's senior elected official George R. Reilly was first elected to the Board of Equalization in 1938 and has been reelected at four-year intervals. Upon completion of his 1978–82 term, he will have served 44 years, longer than any other elected official in the history of California. During all of calendar 1978, Mr. Reilly served for the tenth time as Chairman of the Board. He is Chairman of the Board's Personnel Committee and Assessment Equalization and Standards Committee.

Mr. Reilly was born in the Mission District of San Francisco, was graduated from San Francisco schools, and attended Sacred Heart College. A licensed California real estate broker, he was in the real estate and property appraisal business for many years. Mr. Reilly began his career of public service as a member of the San Francisco Election Commission. From that office he was named to the Board of Permit Appeals and subsequently became a member of the San Francisco Board of Supervisors.

In 1967, Mr. Reilly was honored by a resolution from the State Assembly commending him on his election to the office of Supreme Governor of the World, Loyal Order of Moose, and on his activities in fund raising for scholarships for orphaned children and hospitals for the aged in Florida.

Mr. Reilly was one of the founders of the Irish-Israeli-Italian Society of San Francisco and has served from its inception as one of its three co-presidents. He is a director of the Civic League of Improvement Clubs and Associations of San Francisco, one of California's most esteemed civic-minded organizations. He is a past National President, Ancient Order of Hibernians, and past national editor of "The Hibernian Digest." In 1971, Mr. Reilly was honored by the Northern California Chapter of the Jewish National Fund for his fund raising activities in its behalf.

Among his professional affiliations, Mr. Reilly is a past vice-president, San Francisco Branch American Society of Appraisers; former member of the executive committee, Western States Association of Tax Administrators; and a member of the California Assessors' Association.

Mr. Reilly has three children—two daughters, Carolyn and Georgina, and a son, James.

## Second District

## ERNEST J. DRONENBURG, JR.

Ernest J. Dronenburg, Jr., is the first Republican elected to the Board of Equalization in 24 years. He represents the Second Equalization District, which extends from Fresno in the agriculturally rich San Joaquin Valley to the Mexican border, and includes the highly urbanized areas of San Diego and Orange Counties. The district includes more than six million people and covers more geographical area than the state of New York.

Mr. Dronenburg grew up in San Diego and graduated from San Diego State University in 1966 with a B.S. degree in Business Administration and a B.A. degree in Economics. Upon graduation, he worked as an industrial engineer for NCR and subsequently for the Rohr Corporation.

Though many have attempted it, Mr. Dronenburg is the first employee in the 100-year history of the agency to be elected to the constitutional office of Board Member. Prior to taking office, he worked seven years as an auditor and field audit supervisor in the Business Taxes Division of the Board.

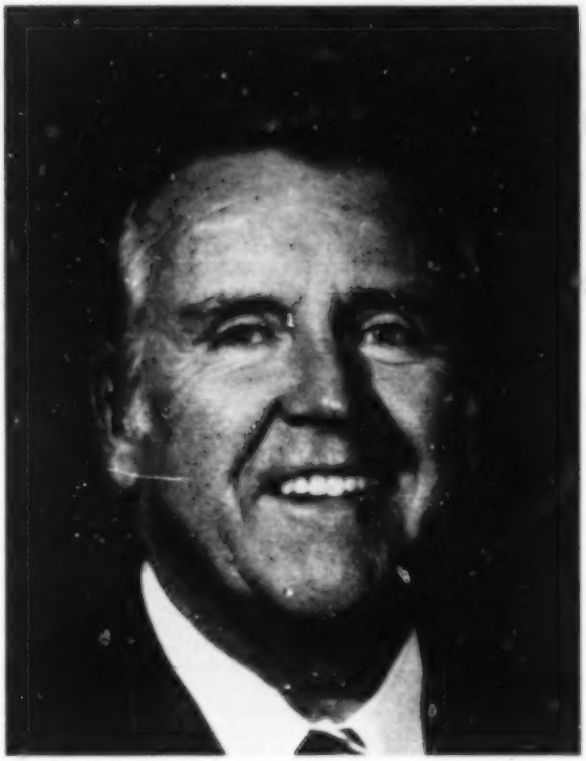
Mr. Dronenburg is also a businessman in his own right. In 1973, working in his off hours, he started Trenway Products, which distributes racquetball equipment worldwide. Shortly thereafter, he founded Tramco Industries, which manufactures racquets and racquetballs.

Among Mr. Dronenburg's professional affiliations, he is a member of the National Association of Tax Administrators, the International Association of Assessing Officers, and the National Association of Accountants. He is active in his church and is a past member of the Board of Trustees of the College Avenue Baptist Church in San Diego.

Mr. Dronenburg resides with his wife, Kathy, and two daughters in the Horizon Hills area of El Cajon.

## Third District

## WILLIAM M. BENNETT



William M. Bennett represents the Third Equalization District, which consists of 28 counties in northern California. He was first elected to the Board in 1970. Mr. Bennett is Chairman of the Board's Valuation of State Assessees Committee, and of the Timber Advisory Committee.

He served his first term as Chairman of the Board in 1972. When Board Chairman John Lynch died in office in December 1975, Mr. Bennett was serving as Vice Chairman. He was elected Chairman to succeed Mr. Lynch, completed the latter's unexpired term, and was reelected in 1976, 1977, and 1979.

Mr. Bennett is a member of the State Bar of California and has been admitted to practice before the United States Supreme Court, appearing on behalf of the State of California eight times in significant criminal, civil, and anti-trust litigation. He has practiced extensively before both state and federal regulatory agencies and commissions. In 1969 Mr. Bennett was permitted by the U.S. Supreme Court to make a special appearance as a self-appointed "consumer spokesman" to present an argument in anti-trust litigation involving the El Paso Natural Gas Company. This was the first time in the history of the Court that an individual who was neither a party to a case nor representing a specific client was permitted to make such an extraordinary appearance.

Mr. Bennett was born in San Francisco in 1918. He and Mrs. Bennett have four children: William, Jr., James, Michael, and Joan. During World War II, Mr. Bennett served as a captain in the Air Force, completing 50 missions in the 15th Air Force over Europe. Mr. Bennett has been a professor of law, teaching administrative law and consumer protection courses at Hastings College of Law, University of California, San Francisco.

Mr. Bennett began his government career as a Deputy Attorney General of California and served in that capacity for 12 years. In 1958, he was appointed chief counsel to the California Public Utilities Commission; in 1962, he was appointed a member of that commission and later served as its president.

## Fourth District

## RICHARD NEVINS

Richard Nevins was first elected in 1958 to represent the eight southern California counties with 11 million population that comprised the Fourth District at that time. Following the 1971 reapportionment, his district now consists of five million people in Los Angeles County, the central core of California's business economy. Although relatively small by geographical standards, gross product and personal income of the new district exceed amounts registered by all but a few nations of the world. Mr. Nevins is chairman of both the Board's Legislative Committee and Data Processing Committee.

After living in Pasadena since April 1921, and attending schools there, Mr. Nevins went on to Yale University where he graduated with an A.B. in Government in 1943. Following three years with the Army Air Force he joined an insurance brokerage firm for 12 years until his election to the Board.

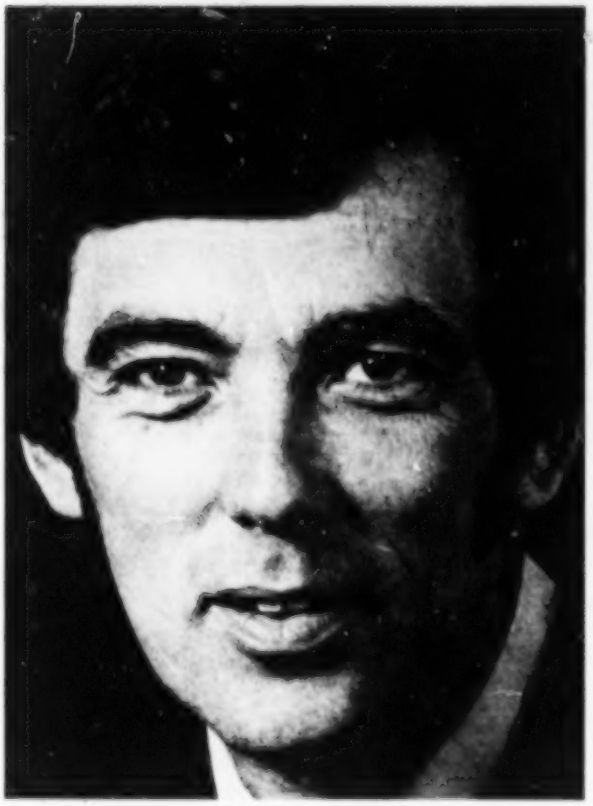
As a Member of the Board, Mr. Nevins' principal interest has been in improving the administration of the property tax. He strongly supported the Board's implementation of AB 80, the Assessment Reform Law of 1966, which contained the legislative mandate of the 25 percent ratio on all locally assessed property. To bring a degree of equity to property taxpayers, he advocated the Senior Citizens Property Tax Assistance Law enacted in 1967 and greatly augmented in 1973. Mr. Nevins has long requested the Legislature to establish a Commission to determine "who pays what taxes." He has petitioned the recently established Commission on Government Reform to analyze the impact of state and local taxes on individuals, families, and business. A comprehensive study of this nature would furnish the state's policymakers with more precise information about the effect of existing laws on California families. This study becomes increasingly important with the passage of Proposition 13 which has made great changes in the structure of state and local taxes, plus a shift in power relationships.

Mr. Nevins has been active in and affiliated with many professional and service organizations including the International Association of Assessing Officers, National Association of Tax Administrators, Western States Association of Tax Administrators, California Assessors' Association, and the American Society for Public Administration.

Mr. Nevins married Mary Lois Minton in 1946. Residing in Pasadena, they have three sons.

## State Controller

# KENNETH CORY



Kenneth Cory became California's 26th State Controller on January 6, 1975, after winning election in November, 1974. He was elected to a second term in 1978.

Before becoming Controller, Mr. Cory was elected to four consecutive terms in the California State Assembly, representing the 69th District in Orange County which included his home city of Westminster. Earlier he served as Chief Consultant to the Assembly Education Committee and as Chief Administrative Officer of the Assembly. He has also engaged in farming and the insurance business.

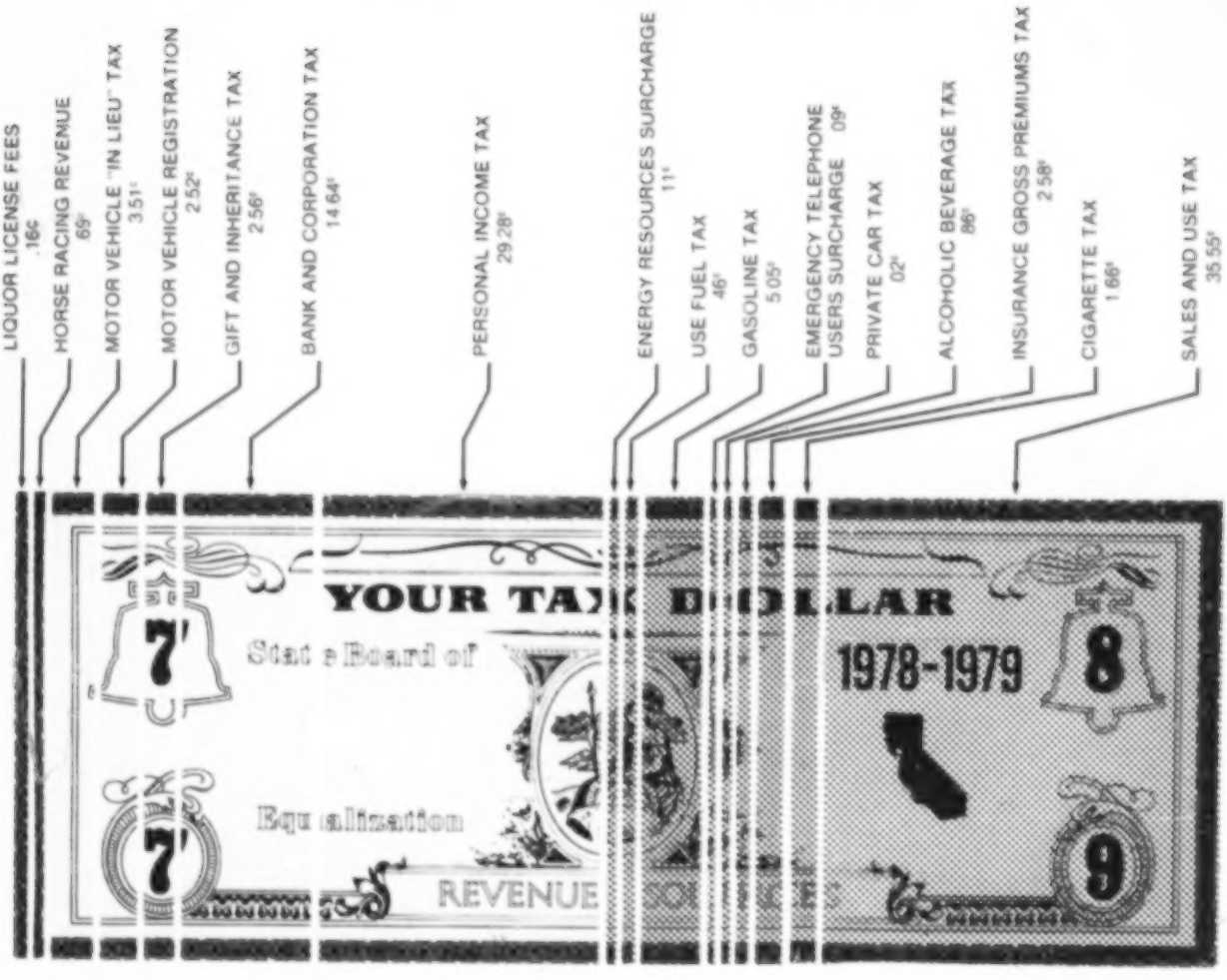
In 1970 his colleagues in the Assembly elected him chairman of the Democratic Caucus. As chairman of the Legislature's Joint Committee on Public Domain, he gained recognition for his investigation of price-fixing practices by major oil companies in California. He served as a member of standing committees on Education, Elections and Reapportionment, Revenue and Taxation, and Ways and Means.

Mr. Cory is known as one of California's leading authorities on education and school finance. He is the author of several important pieces of education legislation including bills to require instruction on dangerous drugs in public schools, to establish classes for multi-handicapped youngsters, and to enable schools to use resources of the private sector to develop innovative programs to improve reading and arithmetic instruction. He also led the fight for Superintendent of Public Instruction Wilson Riles' early childhood education legislation.

Successful Cory environmental legislation now guarantees public access to beaches and gives tax incentives to motorists driving vehicles powered by non-polluting fuels. In November, 1972, voters approved the Cory-authored constitutional amendment guaranteeing citizens the right of privacy. His consumer protection efforts were recognized by the Consumers Legal Action Council in 1972 when he was named Southern California Consumer Legislator of the Year.

Born in Kansas City, Missouri, Mr. Cory moved to southern California with his parents in 1939 when he was one year old. He is a graduate of Huntington Beach High School and attended Orange Coast College, the University of Southern California and the University of California, Berkeley and Los Angeles.

# SOURCES OF STATE REVENUE




## MAJOR STATE-ADMINISTERED TAXES IN CALIFORNIA
### Fiscal Year ended June 30, 1979

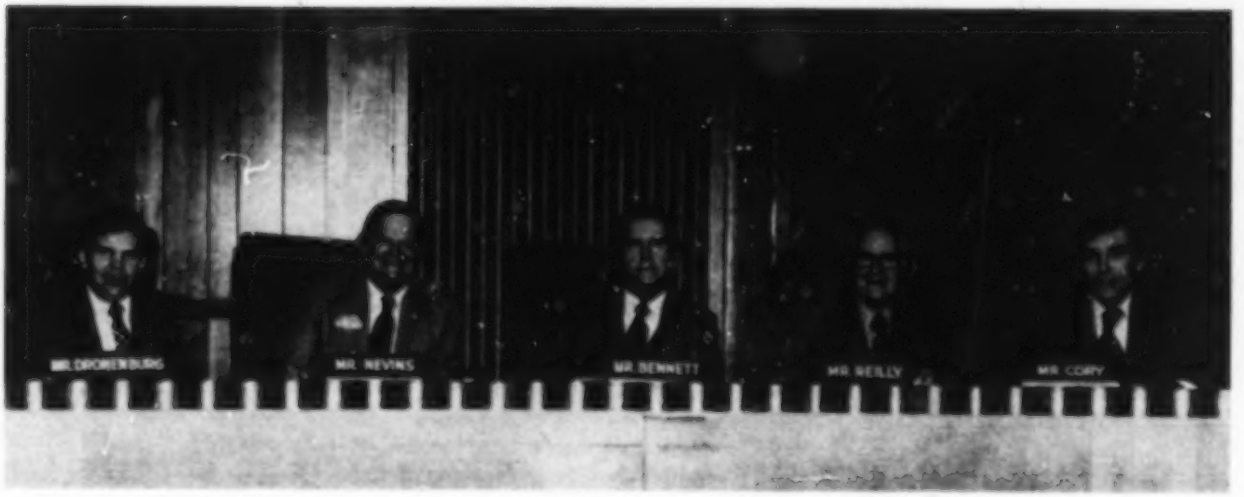
Revenues collected by the Board's Business Taxes Department totaled $8,822,939,000 at a cost of $57,305,000. The Board's cost averaged 65 cents for each $100 collected by this department. The Board's assessments of public utilities and railroads yielded $329,492,000 in local property tax, only 42.6 percent as much as they produced prior to Proposition 13.

| Board of Equalization | 1978–79 Fiscal Year Revenue | Percentages: Change from 1977–78 | Percentages: of Grand Total |
|---|---|---|---|
| Sales and Use Taxes | $5,780,918,754 | 14.9 | 35.55 |
| Insurance Companies Tax | 420,164,303 | 8.4 | 2.58 |
| Cigarette Tax (state portion) | 186,779,550 | -1.1 | 1.17 |
| Alcoholic Beverage Tax | 140,056,953 | 6.1 | .86 |
| Electrical Energy Tax | 18,065,833 | 2.3 | .11 |
| Emergency Telephone Users Surcharge | 14,069,716 | - | .09 |
| Private Car Tax | 3,385,052 | -39.2 | .02 |
| State Litter Control | 585,709 | - | - |
| Total General Fund | $6,506,956,901 | 13.7 | 40.38 |
| Gasoline and Jet Fuel Tax | $822,164,707 | 4.9 | 5.05 |
| Use Fuel Tax (mostly diesel fuel) | 74,408,599 | 12.6 | .46 |
| Cigarette tax (local portion) | 79,036,113 | -3.9 | .49 |
| Total Special Funds | $975,627,388 | 4.6 | 6.00 |
| Grand Total—Board of Equalization | $7,542,584,289 | 12.4 | 46.38 |

| Other Agencies | 1978–79 Fiscal Year Revenue | Percentages: Change from 1977–78 | Percentages: of Grand Total |
|---|---|---|---|
| Personal Income Tax | $4,761,570,976 | 2.0 | 29.28 |
| Bank and Corporation Tax | 2,381,223,094 | 14.4 | 14.64 |
| Motor Vehicle "in lieu Tax" | 570,312,455 | 15.4 | 3.51 |
| Trailer Coach Fees "in lieu Tax" | 41,872,384 | 5.1 | .26 |
| Motor Vehicle Registration Fees | 409,671,978 | 5.0 | 2.52 |
| Inheritance Tax | 402,246,030 | 14.4 | 2.47 |
| Gift Tax | 14,798,709 | 9.8 | .09 |
| Horseracing Revenue | 112,855,646 | 1.1 | .69 |
| Liquor License Fees | 26,055,536 | 8.9 | .16 |
| Total—Other Agencies | $8,720,516,810 | 6.7 | 53.62 |
| Grand Total—All Agencies | $16,263,101,099 | 9.3 | 100.00 |

Source: State Controller's September report "Financial Statement for the General Fund and All Other Governmental Cost Funds", Fiscal Year ended June 30, 1979.

# II. THE BOARD




A century of service was observed during 1979 by the State Board of Equalization, California's major revenue agency. Founded in 1869 to equalize property assessments between the counties, the Board was elevated to constitutional status by the Constitutional Convention of 1879. At that time, California was divided into four congressional districts, and each elected its own representative to the new Board of Equalization. The State Controller was designated an ex officio member to serve at-large.

Although this section of the Constitution was amended in 1884, no change was made in the apportionment of the state's Equalization Districts, the number of Board Members, nor their four-year terms of office. Instead the Legislature was empowered to redistrict the state after each decennial census into four Equalization Districts as nearly equal in population as practicable. Boundaries of the four Equalization Districts remained virtually unchanged until 1971, when a major reapportionment was undertaken, to equalize the population to about five million in each of the four districts. With California's population close to 22 million this year, each Board Member now represents about five-and-one-half million people.

Pictured above in session in Sacramento are (from left) Members Ernest J. Dronenburg, Jr., Richard Nevins, William M. Bennett, George R. Reilly, and Controller Kenneth Cory. At its first meeting in January, the Board elected William M. Bennett Chairman to succeed George R. Reilly who served in that position during 1978. Richard Nevins was elected Vice Chairman. The Chairman of the Board of Equalization also serves as a Member of the Franchise Tax Board, with the State Controller and the Director of Finance.

The Chairman conducts Board meetings, convenes special meetings, and appoints Board committees which develop and recommend policies for Board approval in legislation, valuation of state-assessed public utilities, local property assessment, data processing, personnel management, equal employment opportunity, and tax information. Each committee is composed of key staff members and a Board Member who is designated committee chairman by the Chairman of the Board.

The Board appoints an Executive Secretary to direct Board programs and the activities of its staff, to implement the policies it adopts, the directives it issues, and the actions it takes.

One of California's oldest administrative agencies, the Board of Equalization is the nation's only board of tax officials who are constitutional officers elected to represent specific districts of a state to administer tax programs. This system has given California continuity in its tax administration and has elevated the state to a position of leadership in the field of taxation.

Beginning in 1870, the Board regulated property assessment, equalizing the assessment ratios of the 52 counties then in existence, and assessing the properties of intercounty railroads. In 1911, amendments to the California Constitution assigned to the Board the administration of other tax programs: corporation franchise taxes, the bank share tax, gross receipts taxes on public utilities, and insurance taxes. In 1923 the Motor Vehicle Fuel Tax (gasoline) was enacted. In 1929 the Bank and Corporation Franchise Tax Law was enacted, replacing the Board's assessing function by designating it an administrative appellate agency.

The Riley-Stewart Plan, adopted by the Legislature in 1933, made a significant change in the character of the Board. Board Members Ray Riley and Fred Stewart proposed a series of changes in California's tax structure and the Legislature enacted them into law. The gross receipts tax on utilities was repealed, and public utility properties were restored to the county tax rolls. In 1935, the Board resumed its role as the assessor of public utility operating properties.

In 1933, the Legislature assigned to the Board the administration of a series of business taxes, beginning with the new sales tax, and followed soon by the use tax, the motor vehicle transportation license tax, the alcoholic beverage tax, and thereafter, most new business tax programs.

Although Proposition 13 has changed the nature of property taxation in California and consequently has altered the Board's role in its administration, the Board continues to perform its constitutionally assigned functions. It monitors intercounty equalization of assessment levels and establishes assessment standards. The Board directs, guides, and assists county assessors, assesses privately owned public utilities for local property taxation, and administers the private railroad car tax on cars not owned by railroad companies.

On July 1, 1956, the Board began collecting local sales and use taxes for California cities and counties. By 1962, all cities and counties were included in the program. On April 1, 1977, the Board assumed administration of the Timber Yield Tax, which replaced the former property tax on timberlands.

The Board administers business tax programs that involve virtually every aspect of California commerce in the economy which ranks the state as the ninth greatest economic entity in the world. These tax laws include laws governing state, county, and city sales and use taxes; transit district transaction taxes; the motor vehicle fuel tax; use fuel tax; alcoholic beverage taxes; cigarette taxes; the insurance company tax; the electrical energy surcharge; the emergency telephone users surcharge; and until its source of funding was changed by legislation in September 1979, the litter control, recycling, and resource recovery assessment. The programs administered by the Board generated $7.5 billion during fiscal 1978–79 in general fund and special fund revenues for the state, an increase of 12.4 percent over the preceding year's total of $6.7 billion. In addition to these revenues, the Board collected $1.6 billion in sales and use taxes for cities, counties, and transit districts. Board assessments of privately owned public utilities produced $326 million in local property taxes, and the Board collected $3.3 million in private railroad car taxes for the state.

The Board functions in three major roles: administrative, quasi-legislative, and quasi-judicial.

As an administrative body, the Board develops and adopts capitalization rates, classifies unitary and nonunitary property of public utilities and determines the property values of the individual assessees for local property taxation, sets the electrical energy surcharge rate and the 911 emergency telephone users surcharge rate, and administers the Timber Yield Tax Law.

In its quasi-legislative role, the Board adopts rules and issues directives for the guidance of industry and local government. In its administration of local property taxes, the Board prescribes property tax forms and publishes handbooks for the assessors' use in establishing uniformity among the counties. In administering business taxes, the Board adopts regulations and publishes a law guide and tax tips booklets.

In its quasi-judicial role, the Board acts as the appellate body in final actions of the Franchise Tax Board under the state's Bank and Corporation Tax, Personal Income Tax, and the Senior Citizens Property Tax Assistance laws. The Board considers petitions for redetermination of business tax matters and appeals of insurance companies under the Insurance Tax Law. In property taxes, the Board considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries, and appeals of appraisals made by the Board's Division of Intercounty Equalization in its survey of locally assessed property.

The Board conducts public meetings throughout the year, meeting in Sacramento every month and as often as necessary in other California cities. In 1978–79, the Board met in Sacramento, Pasadena, San Francisco, San Diego, Oakland, and Santa Ana.

The Board employs a staff of more than 2,600 auditors, appraisers, compliance technicians, analysts, clerical personnel, and other specialized classifications in its Sacramento headquarters, in 70 field offices throughout California, and in offices operated in New York, Chicago, and Houston to serve taxpayers who do business in California although their headquarters are located in other sections of the country.

One hundred years ago, the State Constitution was amended to expand the limited role of the Board of Equalization in property assessment regulation. During that century, other responsibilities have been assigned to the Board, so that today, the Board administers most of the state's tax laws—a total of 12.

The evolution of the Board of Equalization is recorded on the next page in a chronological history, listing the duties and functions as they have been added through the years and assigned to the Board during its century of service to California.

# HISTORY OF THE STATE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.[1]

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of intercounty railroads. Board consisted of four members elected from Equalization districts and the State Controller.[2]

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted—assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted—provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted—diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted—state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted—mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted—Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted—provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted—to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 13 adopted by the electorate June 6, 1978 added Article XIIIA to the California Constitution. It changed the system of real property taxation by restricting the maximum ad valorem tax to 1 percent of full cash value, permitting a maximum 2 percent annual increase in the fair market value base to reflect inflation.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1979 Litter Control, Recycling, and Resource Recovery Assessment Act amended to eliminate the assessment, allocating funding for the program to the state's general fund.

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[1] Although California Governor H. H. Haight "strongly advocated in his message of 1869 the establishment of a state board of equalization," it was not until April 4, 1870 that "the legislature passed a bill . . . creating a state board of equalization composed of the state controller and two members to be appointed by the governor for a term of four years."

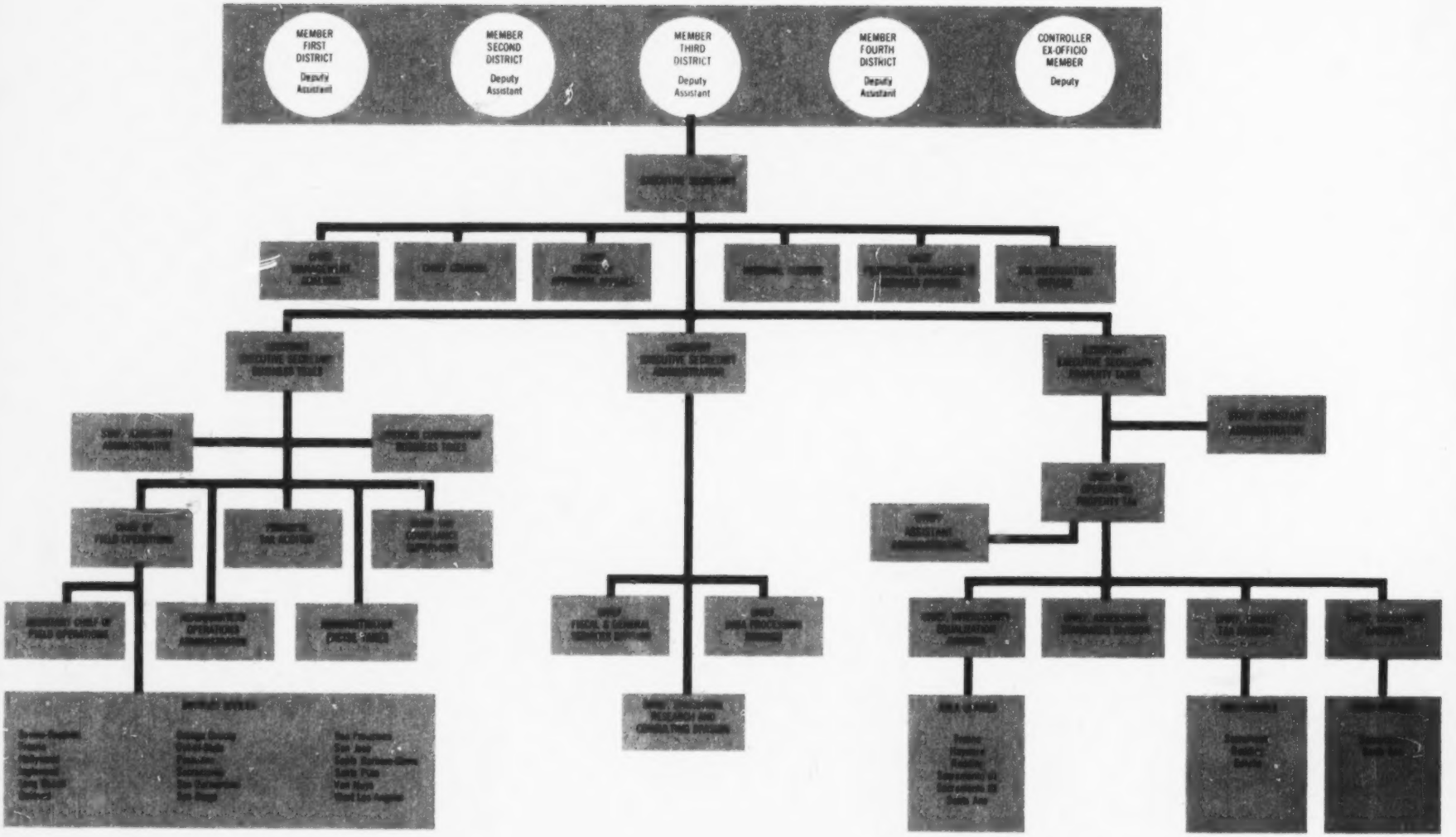
—A Financial History of California,
by William C. Fankhauser—1913

"The Board held its first meeting on the second Monday of July, 1870, and organized by electing Robert Watt (Controller) President and E. W. Maslin, Secretary of the Board." The Legislature's Act of April 4, 1870 did not go into effect until July, 1870.

—First Biennial Report of the
State Board of Equalization
November 1, 1871

[2] The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster—1909


MEMBER FIRST DISTRICT
Deputy Assistant
MEMBER SECOND DISTRICT
Deputy Assistant
MEMBER THIRD DISTRICT
Deputy Assistant
MEMBER FOURTH DISTRICT
Deputy Assistant
CONTROLLER EX-OFFICIO MEMBER
Deputy

# III. ADMINISTRATION

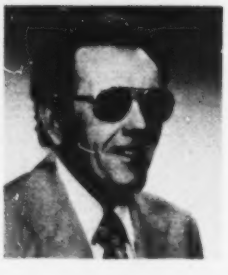
DOUGLAS D. BELL
*Executive Secretary*

LEROY E. BENSON
*Assistant Executive Secretary*
Administration

J. D. DOTSON
*Assistant Executive Secretary*
Business Taxes

GORDON P. ADELMAN
*Assistant Executive Secretary*
Property Taxes

JAMES J. DELANEY
*Chief Counsel*



The Board of Equalization, California's major revenue agency, administers 13 tax programs that generated more than $9 billion in state and local revenues during the 1978–79 fiscal year. Support services for these programs are provided by Administration staff in legal counseling, banking and cashiering, mail processing, planning, research and statistical analysis, fiscal management, data processing, management analysis, internal audit, tax information for the public, personnel and training, equal employment opportunity development, material and supply, and facilities management.

Douglas D. Bell has been Executive Secretary of the Board since May 1, 1977. Mr. Bell joined the Board in 1947; he is the first Board employee ever promoted to the chief administrative position.

J. D. Dotson, Assistant Executive Secretary for Business Taxes, has served in that position since January 1, 1977. He has been a Board employee since 1950.

On May 1, 1979 Gordon P. Adelman became Assistant Executive Secretary for Property Taxes after serving for two years as Assistant Executive Secretary for Administration. He succeeded Walter Senini who left state service.

Leroy E. Benson succeeded Mr. Adelman as Assistant Executive Secretary for Administration. He has been a Board employee since 1950, and most recently was Chief of the Management Analysis Section.

James J. Delaney is the Board's Chief Counsel. Mr. Delaney came to the Board in 1956. He was named Chief Counsel on January 1, 1977.

WALTER SENINI
*Assistant Executive Secretary*
Property Taxes
July 1978–May 1979

### *Legislation*

Bills introduced into the State Legislature that may affect Board-administered tax programs are reviewed and analyzed for their legal, fiscal, and program implications. The Board also provides assistance to the Legislature, the Department of Finance, and the Governor's office and makes recommendations on pending legislation.

Bill analysis is coordinated by the Legal Section. The Statistical Research and Consulting Division estimates the effect on revenues, and the Management Analysis Section estimates the likely cost of administration. Analyses of the potential impact on tax programs are produced by the Departments of Business and Property Taxes.

Because the 1978 legislative session was dominated by concern with the impact of Proposition 13 on property taxes, the total number of bills introduced in the Legislature declined significantly. Only 3,040 measures were presented during 1978, the lowest regular session total for one year since 1947 when only 2,916 measures were introduced. Even with the special session legislation added, the number of bills declined 19.04 percent from 1977, 5.6 percent from 1976, and 30.7 percent from 1974–75.

Glenn Rigby (center), the Board's Assistant Chief Counsel for Property Taxes, and Staff Counsel Ken McManigal (left) meet with Deputy Attorney General Ed Hollingshead to discuss differences of opinion on recent property tax rulings made by the Board.

Despite the reduction in total number of bills offered, the great interest in property taxation increased the number of bills processed by the Board staff. In 1978, 447 bills were identified as pertinent to Board activities (including special session bills), an increase of 9.8 percent over 1977, of 20.2 percent over 1976, and 39.7 percent greater than in 1974–75.

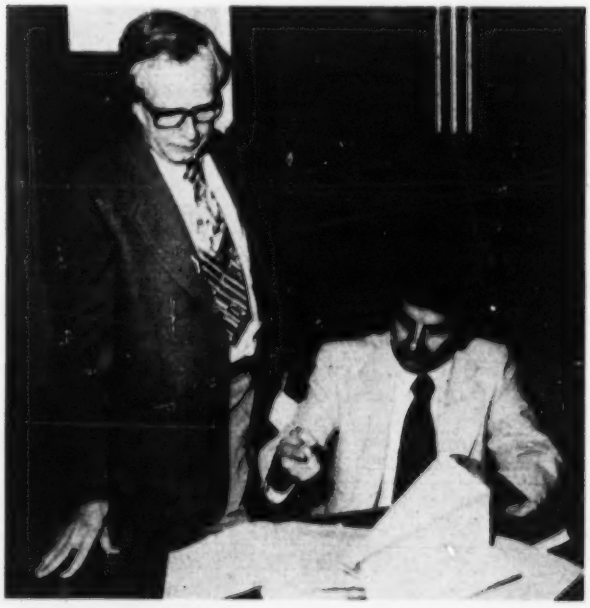
To expedite its bill review, the Board contracted with the California Legislative Monitoring Service to furnish computer searches of the Daily File and Daily and Weekly Histories, legislative publications that report regularly on the status of all bills. This process was formerly done manually, which limited staff capabilities.

In the Statistical Research and Consulting Division, Analysts Aileen Lee and Dave Hayes estimate the effect pending legislation will have on the state's tax revenues.

### *Legal Services*

The Board employs 28 attorneys. As house counsel these attorneys assist the Members of the Board and staff personnel in interpreting the tax laws administered by the Board.

Legal activity in property taxes has increased tremendously since the adoption of Proposition 13 in June 1978 and the subsequent legislative implementation of that amendment to the State Constitution. The lack of clarity in the wording of the proposition as it referred to the valuation of real property created controversy and generated numerous lawsuits, new administrative regulations, and an enormous number of written and oral requests for legal staff interpretive rulings. The adoption in November 1978 of another amendment to the State Constitution (Proposition 8) aroused further taxpayer interest and required additional staff work.



Hearing Officers Henry Dyer (standing) and John Albu discuss a taxpayer appeal heard in Santa Ana.

For the staff, the most interesting aspect of this dramatic change in property taxation was the difference of opinion that developed between Board attorneys and the Board's traditional trial counsel in the Attorney General's office. This disagreement led to the Attorney General's refusal to defend the Board in several lawsuits filed by taxpayer groups and individuals and required Board attorneys to undertake the unusual role of trial counsel, thus placing them in the position of both solicitor and barrister as they are known in the English legal system.

Much litigation is still pending and it is likely that much more will follow before the full meaning of Proposition 13 is understood and accepted.

Board attorneys also provide staff assistance to the Board Members in deciding appeals by taxpayers from actions of the Franchise Tax Board in its administration of the Personal Income Tax Law and the Bank and Corporation Tax Law. The written opinions issued by the Board set forth guiding principles and statutory interpretations. They are published by Prentice-Hall and Commerce Clearing House, and they serve as precedent materials for use by taxpayers and the staff of the Franchise Tax Board.

During fiscal year 1978–79, there were 540 personal income and corporation tax appeals filed with the Board. By comparison, 272 appeals were filed in fiscal year 1972–73.

Board attorneys also provide the public with interpretations of various business tax laws, assist with the preparation and approval of business taxes hearings summaries used by the Board Members, and present the available facts and analyses of the law to the Board at nonadversary business taxes hearings. Board attorneys also aid and advise the staff in the collection of delinquent taxes. They draft rules and regulations for approval by the Board and perform the necessary legal procedures to issue them.

### *Data Processing*

Installation of a new Univac System Six computer in 1978 accelerated and expanded the Board's data processing capabilities. The vast amount of data necessary to support the various tax programs can now be utilized more rapidly, expediting such procedures as updating taxpayer registration files, maintaining accounts receivable files, and producing a public utility tax roll.

The Board's statewide communications network serviced by the new computer has grown to 85 terminals. In addition there are now two out-of-state, in Chicago and New York. These terminals furnish a quick reference to several business taxes files to determine the status of any taxpayer account.

In May, 1979 the Board installed new data entry equipment, a key-to-disc system, which has markedly increased computer capacity. Most of the Board's routine daily jobs such as accounts receivable, registration, and tax return processing, can now be key entered into the computer system simultaneously.

### *Magnetic Ink Character Recognition (MICR)*

Sizeable increases in the volume of checks received by the Board as remittances for various tax programs, particularly the sales tax, has necessitated the acquisition of three additional magnetic ink character recognition (MICR) units, bringing the Board's total to seven. This equipment enables operators to imprint into code with a special ink the amount on the check, sort the check for deposit into the appropriate bank, and issue an adding machine tape for each bank, plus a master tape for all checks processed through the equipment.

Using a video terminal in the Inglewood District office, Office Assistant Janice Beale is able to obtain current account information from headquarters computers located in Sacramento.

Account Clerk Rebecca Smith operates one of the Board's seven MICR machines which encode, sort, and total checks for immediate deposit.

The coding of the checks saves both time and money for the state, by reducing the time it takes for the money to reach the bank after it is issued by the taxpayer, by earning additional interest for the state, and by reducing the cost charged by banks for processing the checks.

The Board deposited more money on February 5, 1979 than on any single day in its 100-year history. The all-time high total of $207,477,254.57 exceeded by more than $18 million the previous record set on August 1, 1977, when receipts topped $189 million.

During fiscal 1978–79, more than 2.8 million checks were processed.

In the headquarters Cashier Unit, Account Clerks Elizabeth Johndreau and Kevin Lee open tax return mail. Payments made by check are processed and deposited the same day in most cases.

### *Board Headquarters Building*

Continuing growth of headquarters staff to administer new and expanded tax programs as well as increasing workloads has necessitated the relocation of more Board units to leased space away from the headquarters office building in other Sacramento locations during the past year. Units selected to move are those that will be the least inconvenienced. However, such dispersal reduces efficient operation.

In 1974 the Board formally requested the Department of General Services to provide a new building of approximately 200,000 square feet to be used exclusively by the Board. The Board requested that the facility be near the State Capitol, consolidating all headquarters operations in one location. Funding for preliminary plans has been provided in the 1979–80 fiscal year budget.

### *Equal Employment Opportunity*

During the past year the Board intensified its efforts to meet its equal employment opportunity goals. An additional 24 minority employees are now working for the Board, 4.8 percent more than during the preceding fiscal year. Minority employees now total 521, more than 21 percent of all full time Board personnel.

To achieve representation of minority groups in the Board work force proportional to the general available work force, the Board has emphasized programs of recruitment and promotion. From July 1978 to January 1979, 29 percent of all new employees hired were minority persons. Minorities earned 22 percent of all promotions; only 19.4 percent of employees who left the Board were minorities.

During the same period, the Board of Equalization was notified by the State Personnel Board that it had met nearly all the test criteria in an evaluation of the Affirmative Action, Disabled, and Upward Mobility Programs. Only 15.2 percent of all state departments did as well or better than the Board of Equalization, according to the State Personnel Board.

The Board continued to participate in community sponsored and funded work programs. The Career Opportunity Development Rehabilitation Program (COD) provided employment opportunities at the Board for 12 persons. Other local employment programs such as the Youth Employment Services Program (YES) and the Comprehensive Youth Program (CYP) sponsored by the Sacramento City and County school districts arranged for young persons of minority background to gain state work experience. The Board of Equalization furnished the jobs, training, and supervision; the programs paid the salaries.

Office Assistant Rosemarie Munoz (right) teaches telephone procedure to Youth Aide Patricia Martinez. The Board employed a total of 50 high school students as youth aides during the summer of 1979.

Despite budget restrictions the Board is continuing to emphasize its upward mobility program by offering advancement opportunities to all underrepresented minorities, to the disabled, and to women. In August 1979, approximately 60 persons were enrolled in upward mobility. From July 1978 through March 1979, 20 employees completed this program, which was established to provide advancement opportunities into professional positions for employees working at lower levels.

### *Collective Bargaining*

The enactment of Senate Bill 839 in 1977 committed the State of California to the collective bargaining process for most of its state workers. Since January 1, 1978 when SB 839 became effective, the Board staff has been working with the Governor's Office of Employee Relations to implement the new labor relations system.

A first step in effecting SB 839, also known as the State Employee-Employer Relations Act (SEERA), has been to review each position in the Board for classification as management, confidential, supervisory, or rank-and-file for the purpose of collective bargaining. In August 1978, Board employees were notified about the designation of their positions, provided answers to their questions about the different categories, and instructed in the appeals process. Under SEERA, supervisors will be able to participate in limited meet-and-confer sessions, and organize to represent themselves. However, they will not be allowed to seek representation in those employee unions which represent the rank and file.

At the direction of the Governor's office, the Board staff also launched a detailed study of past employee relations practices in the Board of Equalization in preparation for bargaining that will take place later with the various employee representative groups. This report, completed during the fall of 1979, also reviewed the Board's policies and practices in comparison to those of other departments.

Board staff is providing training of all management and supervisory staff in employer-employee relations. A study will be made for the state to determine which of the Board's personnel classifications share similar spheres of interest with employees of other agencies to assure that those with common goals will be represented by the same bargaining units.

A contingency plan has been formulated for use in the event of employee job actions.

The Governor's Office of Employee Relations estimates that the first collective negotiation sessions will not begin until 1980 or 1981.

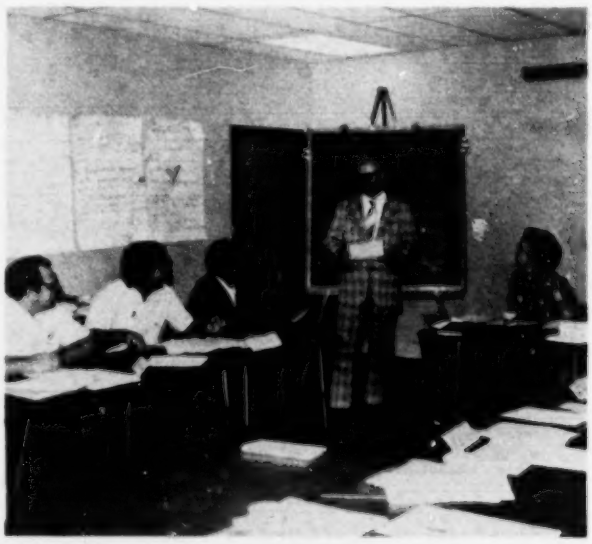
### *New Testing Procedures*

During the past year, at the request of the State Personnel Board, the Board of Equalization has administered examinations for certain job classes to establish eligibility lists for hiring and promotions. The Board of Equalization is now responsible for all phases of civil service examinations for certain departmental promotional and entry level examinations including the development of recruitment plans and examination announcements, proctoring and scoring examinations, and establishing eligibility lists.

### *Training*

At the beginning of each fiscal year, a training plan is developed by each unit of the Board to determine the training needs of employees and programs, and the resources necessary to meet those needs.

The Board's training program is structured to help Board employees improve their talents and learn



Board employees Jim Morhain and Jean Slayton conduct a course in supervision techniques at the Santa Ana District office.

Board employees receive training in business taxes compliance procedures in the Downey District office.

new skills. The training emphasizes auditing, compliance, and property appraisal, the major technical activities of the Board. Classes are also provided in managerial, supervisorial, data processing, clerical, and other specialized fields.

Most of the courses are taught within the Board. However, some are provided through outside agencies, including the training centers of the State Personnel Board and federal civil service, and at colleges and universities around the state.

The Board Training Committee is comprised of a representative group of employees who determine training needs in creating the annual staff development training program. Upon approval of the plan by the Executive Secretary, the Board Training Officer implements the plan. The Training Officer recruits and guides a network of Board employees who serve as training coordinators or instructors, assuring that training objectives are achieved.

A series of "Tax Tips" publications provides the business community with specialized information in nontechnical language.

Information about Board tax programs is provided to the public, industry, the press, government officials, and other governmental agencies by the Board through its Tax Information Office. To communicate this information, news releases are dispatched statewide to more than 500 daily and weekly newspapers, television and radio stations, news wire services, and to professional, trade, and technical publications.

News releases cover a variety of subjects. Taxpayers are reminded to apply for homeowners' and veterans' property tax exemptions. In the event of natural disasters, such as the Coachella Valley floods in Riverside County during the summer of 1979, taxpayers are advised how to obtain property tax relief and/or postponement of sales and use tax payments. Statistical information is compiled and published on gasoline distributions and on taxable sales in California. Notice of Board meetings and public hearings is issued. During the past year, the effects and ramifications of Proposition 13 were analyzed in news releases.

A series of more than 40 pamphlets offers "Tax Tips" to the business community, summarizing in nontechnical language rules and regulations for specific industries and organizations. A quarterly publication announcing changes and proposed changes in tax programs and how they affect tax reporting is mailed with tax return forms to more than a half-million taxpayers.

A pamphlet describes the procedures for appealing taxes under programs administered both by the Board of Equalization and the Franchise Tax Board.

### *Tax Information*

The Tax Information Office coordinates the publication of this legally mandated Annual Report of the Board to the Governor.

# IV. PROPERTY TAXES

In 1979, the Board of Equalization observed its centennial year as a constitutional agency. Its property tax activities, however, predate the Board's constitutional status by ten years. In 1869, the predecessor agency was formed to regulate equalization of assessments between the state's various counties. The members of the original Board were more concerned about the intracounty equalization problems—equalization of assessments within each county—especially between certain classes of properties. During the next ten years, the Board issued a series of equalization orders to equalize the assessments of properties, which prompted legislative maneuvers to block those orders, and court hearings to identify the issues. The provision which established the Board as a constitutional agency with power to equalize assessments between (but not within) counties was the culmination of the Board's first ten turbulent years.

Following the constitutional provisions and subsequent clarifying legislation, the Board began to equalize assessments and tax burdens between counties, until 1910 when the Constitution was again amended to alter the Board's role. Railroads, which had been assessed by the Board, and other utilities, which had not, were removed from the counties' property tax rolls and subjected to a gross receipts tax. The state also abandoned its reliance on the property tax as a source of state revenues. These two changes eliminated the main reasons for the state's interest in equalizing assessments between counties, and the Board's property tax activities were sharply curtailed for the next 25 years.

On June 27, 1933 the Legislature adopted the Riley-Stewart Plan, a constitutional amendment which returned the assessment of public utilities to the Board of Equalization effective January 1, 1935. On that date the Board began assessing all pipelines, flumes, canals, ditches, and aqueducts not entirely within one county, and all property, other than franchises (intangibles), owned or used by railroad companies; railroad car companies; companies doing express business on any railroad, steamboat, vessel or stage line; telephone and telegraph companies; and companies engaged in the transmission or sale of gas or electricity. Utility properties were to be valued centrally and their assessments allocated to the counties in which the properties were located, to be taxed at the same rate as all other properties. By returning utility assessment to the Board, the amendment revived the need for intercounty equalization.

### *Intercounty Equalization Surveys*

Despite the resumption of the Board's intercounty equalization function in 1935, the Legislature did not appropriate funds for the program until 1949. With massive amounts of state aid allocated to school districts, the counties' assessed value was used as the measure of wealth to determine the amounts allocated to each county. Hence comparative assessment levels and their accuracy came under close legislative scrutiny.

The Legislature studied the matter and voted to fund annual studies to measure the assessment levels in the 58 counties. The first study was completed in July 1955, and for the next few years the procedures were refined and improved. By 1960 the annual intercounty appraisal surveys had become a significant factor in the cost sharing of education and social services: local government paid its share based on its ability as measured by its equalized assessed value, with the state making up the difference.

Prior to the adoption of Proposition 13, funds were exchanged between the state and local governments. Money going to local jurisdictions from the state was for the support of education; money transferred from the counties to the state supported Medi-Cal and other social service programs. During 1977–78, the last fiscal year before the adoption of Proposition 13, the tax revenues involved in intergovernmental transfers exceeded $2.5 billion. The amounts to be transferred both to and from the counties were based on the wealth of each county as measured by the assessed value of property on the county assessment rolls. A statewide average was computed annually by the Board for all the counties. Those counties assessing below that level had their assessed values increased, while those assessing above the statewide average had their values lowered. The Division of Intercounty Equalization within the Property Taxes Department and the Office of Appraisal Appeals, which reports to the Board's Executive Secretary, conducted these intercounty equalization surveys for the Board.

Ratios had been measured by Board staff who appraise a cross section of the properties in one-third of

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1969–70 to 1979–80

| Fiscal Year | Assessed Values [a] | | | | Property Tax Levies [b] | | Average Property Tax Rate (in percent) | | Property Tax Relief [c] |
|---|---|---|---|---|---|---|---|---|---|
| | Gross (000 omitted) | Annual Change As % | Net Taxable [f] (000 omitted) | Annual Change As % | Amount (000 omitted) | Annual Change As % | Nominal [d] | Effective [e] | Amount (000 omitted) |
| 1969–70 | 53,893,750 | 7.0 | 49,730,253 | 2.2 | 4,935,475 | 8.0 | 9.92 | 2.37 | 256,405 |
| 1970–71 | 57,373,842 | 6.5 | 52,673,989 | 5.9 | 5,721,672 | 15.9 | 10.86 | 2.57 | 316,413 |
| 1971–72 | 60,656,128 | 5.7 | 55,770,999 | 5.9 | 6,372,331 | 11.4 | 11.43 | 2.80 | 361,643 |
| 1972–73 | 64,767,892 | 6.8 | 59,513,473 | 6.9 | 6,819,077 | 7.0 | 11.44 | 2.81 | 449,154 |
| 1973–74 | 69,115,976 | 6.7 | 59,616,596 | 0 | 6,647,769 | −2.5 | 11.15 | 2.66 | 1,049,055 |
| 1974–75 | 76,275,719 | 10.0 | 65,693,398 | 10.2 | 7,383,411 | 11.0 | 11.24 | 2.73 | 1,167,985 |
| 1975–76 | 84,879,753 | 11.3 | 73,242,825 | 11.5 | 8,304,125 | 12.5 | 11.33 | 2.80 | 1,306,206 |
| 1976–77 | 96,104,750 | 13.2 | 83,687,264 | 14.3 | 9,376,391 | 12.9 | 11.20 | 2.81 | 1,344,981 |
| 1977–78 | 109,390,134 | 13.8 | 96,263,695 | 15.0 | 10,276,725 | 9.6 | 10.68 | 2.47 | 1,425,570 |
| 1978–79 | 119,542,405 | 9.3 | 105,547,349 | 9.6 | 5,035,896 | −52.2 | 4.79 | n.a. | 786,858 |
| 1979–80 | 135,715,402 | 13.5 | 120,766,684 | 14.4 | n.a. | n.a. | n.a. | n.a. | n.a. |

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which annual applications must be made (except cemeteries) and the exempt value of business inventories; net taxable values exclude these exemptions. For further detail, see Appendix Tables A-17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' property tax assistance. During 1978–79, the state allocated the following amounts to local governments to cover these: homeowners, $336,931,063; business inventories, $207,863,696; renters, $133,801,979; senior citizens total, $86,307,951: (property tax assistance, $71,006,493, property tax deferral, $9,967,540, and renters tax relief, $5,313,918); open-space lands, $12,906,883; and other, $9,047,824. These amounts total $786,855,196.

[d] Property tax levies divided by assessed values representing varying percentages of market value.

[e] Property tax levies divided by the estimated market value of net taxable properties. Beginning with 1978–79 an effective tax rate can no longer be calculated, since assessed values are not based on market values.

[f] The growth in net taxable valuation was sharply reduced by the homeowner's exemption ($750 of assessed value from 1969–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; and 50% beginning in 1974–75). For 1979–80 these two exemptions accounted for $7,006,348,000 and $5,047,799,000 of assessed value, respectively.

n.a. Not Available.

the counties each year. The properties to be appraised were selected from a random sample of all properties in the county. By comparing the Board's estimated full value with the assessed value of each of the properties selected and using weighted averages, it has been possible to calculate annually the overall assessment ratio for a county.

However since the adoption of Article XIIIA of the Constitution, the role of intercounty equalization surveys is unclear. Although some of the former functions of assessment ratios have been suspended, assessment conformity remains important, both within and between counties, for the following reasons:

(1) There is a tax rate limitation on all locally assessed property. Assessment at less than the full taxable value produces tax revenues to local agencies that are lower than authorized by law.

(2) The State Constitution authorizes a veterans' and a homeowners' exemption in the amount of $1,000 and $1,750 of assessed value respectively. When the assessment levels are lower than they should be, the fixed levels of the exemptions consume a larger percentage of the total assessed value than contemplated by the law.

(3) The values of state-assessed utilities are allocated uniformly to each county on the assumption that all counties are in equal conformity. If a county's property assessments are lower than they should be, the utilities are contributing a greater proportion of the taxes to support local government.

(4) State funds are used to supplement revenues of local school districts; the amounts are based on the revenue limits prescribed by law less the amount that can be raised from the county assessor's current assessed values. Therefore any underassessment by a county assessor results in an over-subvention from the state.

(5) Some taxing jurisdictions operate in more than one county. If the assessment level in one county is lower than in the other counties affected, taxpayers in the latter counties are unequally burdened with the taxes.

Section 18, Article XIII of the Constitution specifies that it is the Board's duty to bring local assessment rolls into conformity. This duty was not lessened by Article XIIIA. Instead greater emphasis has been placed on conformity among the counties now that changes have been made in property assessment procedures. The Board has been required to revise existing property tax rules and adopt new rules to standardize interpretation of the implementing legislation to bring conformity among the counties.

During the 1978–79 fiscal year the division sampled 29 counties for the purpose of measuring the full value of the taxable property using the value concepts mandated by Proposition 13. Appraisers assigned to these intercounty equalization surveys have been required to confirm the details of transactions—sales, leases, construction costs, recording dates, completion notices, etc. (factors that have taken on new significance under Proposition 13)—some of which may have occurred five years earlier. Missing documents and faulty memories contributed to the problems of appraising under the new rules. However, a series of workshops for appraisers helped to acquaint them with the new requirements.

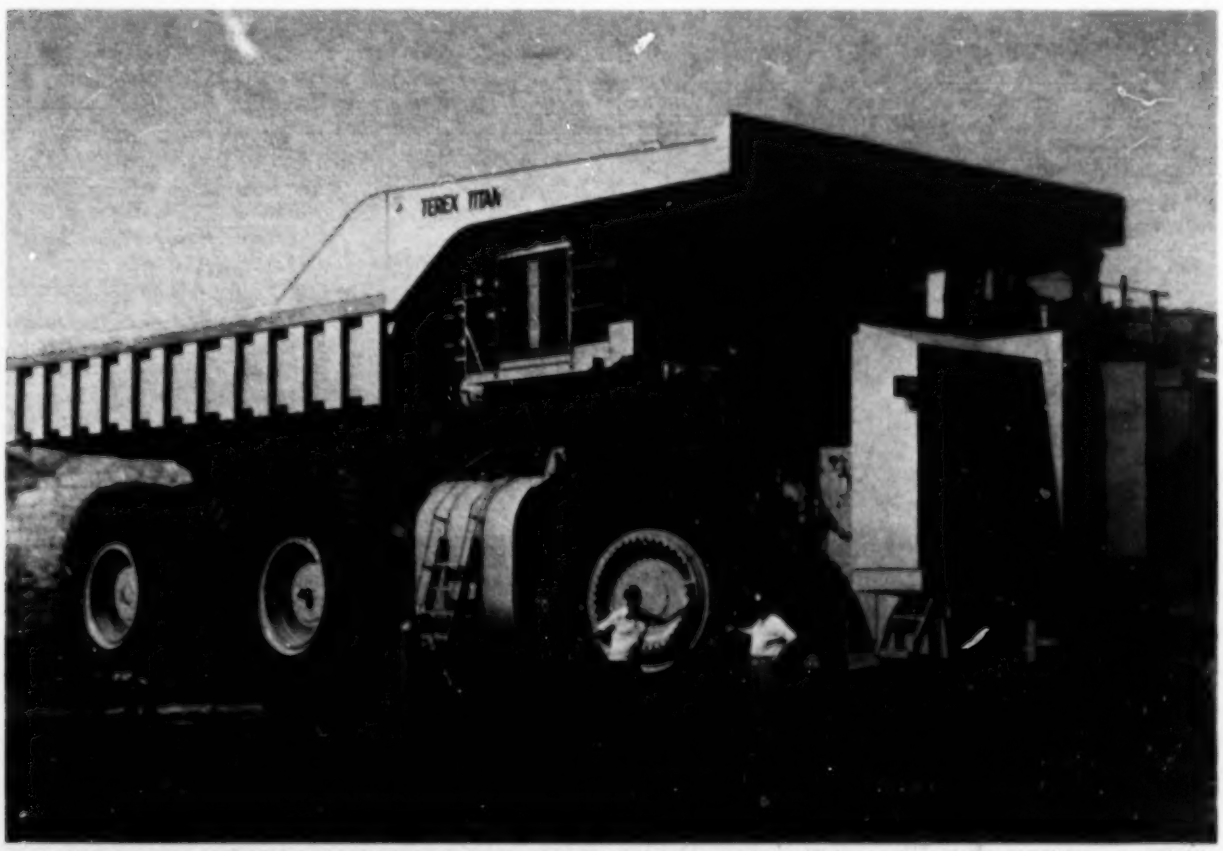
Even as the staff grows more accustomed to the Article XIIIA changes, further clarifying legislation is being considered in the Legislature. (See Property Taxes Legislation, page 35.)

Assembly Bill 8 (Chapter 282, Statutes of 1979,) enacted just after the close of fiscal 1978–1979, spells out the formula for sharing the proceeds of the property tax among the various local taxing agencies including schools. It further specifies the calculations for determining the amount of property tax revenues that will be allocated to support local schools and the amount the state shall subvene to make up any deficiency below the allowable revenue limits. This legislation does not provide for the modification of assessed values for variations in assessment levels; instead, it requires the state to make up in full that portion of the school districts' revenue deficiency caused by underassessments. This provision is not directly spelled out in Assembly Bill 8, but is required to meet the various terms of the allocation formula.

### *Assessment of Public Utilities and Related Properties*

The same constitutional act that restored the Board's intercounty equalization function also reassigned to the Board the valuation of California's privately owned public utilities effective January 1, 1935.

Section 19 of Article XIII of the Constitution directed the Board to assess the properties owned or used by privately owned regulated telephone and telegraph companies, railroads, gas and electric companies, car companies operating on railways in California, and all intercounty pipelines, flumes, canals,




Principal Property Appraiser Lee Sher (right) and Senior Auditor-Appraiser Bob McKee appraise the world's largest dump truck as part of their appraisal of the Eagle Mountain Mine in San Bernardino County.

STATE-ASSESSED UNITARY PROPERTY

| Type of Property | Number of Companies | | Market Values within California | | Percent Increase |
|---|---|---|---|---|---|
| | 1978 | 1979 | 1978 | 1979 | |
| Gas & Electric | 23 | 23 | $13,869,941,733 | $14,739,362,000 | 6.3 |
| Telephone & Telegraph | 39 | 38 | 11,395,129,000 | 12,500,173,000 | 9.7 |
| Radio-Telephone | 49 | 51 | 16,910,575 | 23,158,068 | 36.9 |
| Intercounty Pipelines | 30 | 29 | 392,270,910 | 439,462,818 | 15.0 |
| Railroads | 34 | 33 | 1,252,335,000 | 1,242,565,150 | −0.8 |
| TOTALS | 175 | 174 | $26,916,587,218 | $28,944,721,033 | 7.5 |

ditches, and aqueducts. The assessments become part of the local government tax base in those areas where the property is located. The Board's assessment duties are similar to those of a county assessor. These duties are performed at the state level because of the difficulties and potential inequities which would result from various county assessors trying to value a portion of the properties of an intercounty or interstate utility company. At the state level, these properties can be considered as an operating unit without regard to county lines.

State-assessed property is classified as either unitary property or nonunitary property. Unitary property is an integrated system of tangible property owned by the assessee and used in its primary utility or railroad operation. Nonunitary property is property owned by a state assessee but not used or needed for its primary operation, and property used in the primary utility or railroad operation but not owned by the assessee.

Unitary properties are valued as a unit and their values are allocated to the appropriate local taxing jurisdiction. These values are determined by the Board on the basis of relationship of the reproduction cost new less depreciation (RCNLD) of each item of property to the RCNLD of the total unit. Nonunitary properties are assessed in a different manner. Field inspections are made, and by use of the sales, cost, and income approaches, market values are established for those types of properties from which the assessed values are derived. Nonunitary properties are enrolled in the taxing jurisdiction in which they are located.

Auditor-Appraisers Octavio Lee (center) and Jerry Henrikson (right) present their utility audit findings to Principal Property Auditor-Appraiser Rudy Bschof.

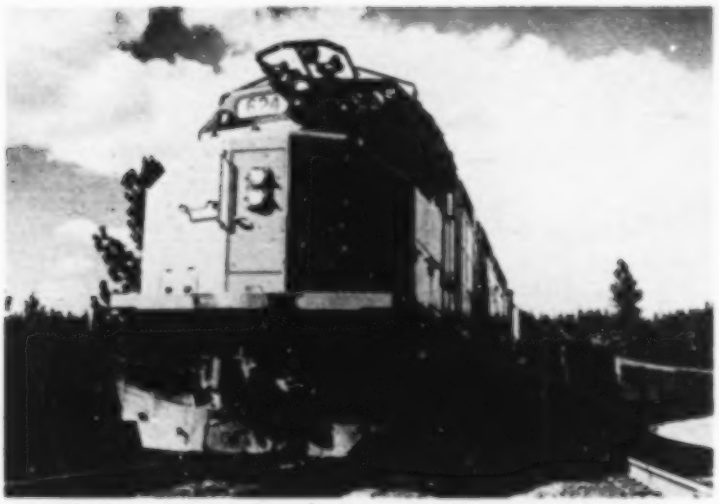
During 1935, the first year the Board resumed valuing utilities, the state's portion of the assessment roll listed 281 assessees with a total market value of $890 million. As of March 1, 1979 the Board's prepared assessment roll listed only 164 assessees but with a market value of approximately $28 billion.

The Board's prepared roll of state-assessed property for each county shows the assessments for each taxing jurisdiction. After adoption by the Board, the rolls are delivered in August to the 58 county auditors. The county tax collectors prepare and issue the bills, and in turn, collect the payments for the use of local government. Valuations of state-assessed properties by county for 1979–80 are listed in Appendix Table 6.

Although Proposition 13 changed the market value concept for locally assessed properties, the Board ruled that certain provisions of the initiative applied only to properties assessed by the county assessor. Included is the base-year value limitation that virtually freezes property values at their 1975–76 level, or upon change of ownership or completion of new construction thereafter. Those provisions apply only to locally assessed properties which are assessed at their base-year values, modified annually by an inflation factor not to exceed 2 percent. However, public utilities, which are state-assessed, continue to be valued every year, although like locally assessed properties, their tax rate is limited to 1 percent of assessed value.

This interpretation by the Board of Proposition 13 was affirmed in a 1978 superior court decision, which was reversed by the First District Court of Appeals. As the Annual Report goes to press, a petition for hearing has been filed by the Board with the California Supreme Court.

The Board's Valuation Division computes a series of value indicators for the unitary property of each state assessee which are presented to the Board along with a recommended market value. The indicators calculated are historical cost less depreciation, reproduction cost less depreciation, capitalized earning ability, and market value of stock and debt. Also provided to the Board for information is a replacement cost figure taken from the Form 10-K financial report



The Board of Equalization is responsible for assessing railroads and public utilities. The assessments become part of the local government tax base in the areas where the property is located.

furnished to the Securities and Exchange Commission, which contains descriptive material about the company. After considering these factors and holding public hearings the Board determines the total value of the unitary property for each state assessee.

STATE-ASSESSED NONUNITARY PROPERTY

| *Type of Property* | *Market Value* | | *Percent Increase* |
|---|---|---|---|
| | *1978* | *1979* | |
| Fee-owned | $454,053,800 | $480,533,960 | 5.8 |
| Leased | 290,198,400 | 311,543,520 | 7.4 |
| Possessory Interests | 31,841,200 | 37,683,960 | 18.4 |
| TOTALS | $776,093,400 | $829,761,440 | 6.9 |

### *Audit of Utilities' Financial Records*

The one-year old utilities audit program audited reports of 25 utility, railroad, and private railroad car companies in 1978–79. This coverage was achieved despite the freeze on state hiring, which prevented full staffing of the program. The estimated tax recovery from this program, subject to review and appeal, was $950,000 for local governments.

The Board is taking steps to expand this program because of its success during the current year both in discovering properties escaping from assessments and in improving the validity of the financial data used to establish the unitary values of the various utilities.

The Board of Equalization staff computes values for privately owned public utility properties such as the Pacific Gas & Electric nuclear power plant at Diablo Canyon, San Luis Obispo County.

Tax Area Delineators Harry Kingsley (left) and Frank Chavez discuss a boundary mapping question arising from the creation of a new local taxing jurisdiction.

### *Tax-Rate Area Mapping Program*

Tax-rate area maps exist for each county showing the boundaries of cities, school districts, and all special districts, such as fire protection, sanitation, water and lighting, for which ad valorem taxes or assessments are allocated by county auditors. Collectively, these local taxing jurisdictions are called "revenue districts." These boundaries overlap each other in every conceivable manner, forming unique clusters of properties served by common revenue districts. A special tax-rate area code number is assigned to each of these areas that has a particular combination of overlapping revenue districts. These maps are required so that state assessees can report their property holdings located in each revenue district. Further, the county assessor must code each assessment on the local roll to determine the assessed value base for each revenue district. On January 1, 1979, there were 6,234 revenue districts in existence within the state. They overlapped to create 27,566 tax-rate areas.

Tax Area Delineator Fred Spitzer prepares a boundary map defining local revenue districts.

When revenue districts are created or when the boundaries of existing districts are changed through annexation, merger, dissolution, etc., maps, legal descriptions, and other related data must be filed with the Board. These filings are made on a calendar year basis preceding the assessment roll year to provide enough lead time to prepare the tax roll. The number of boundary creations and changes that were filed dropped from 2,732 in 1972 to 2,418 in 1976. This trend reversed itself, and by the end of 1978, the total reached 2,817. At mid-1979, the rate of filing leveled off, indicating a probable total of approximately the same number of filings for 1979. These will first be reflected on the 1980–81 assessment rolls.

Associate Property Appraiser Jim Monson values a privately owned railroad car.

Proposition 13 set a uniform rate of $4 per $100 of assessed value, and it was presumed that these revenue districts would soon lose their importance except for the recovery of property taxes to service debts that were voter-approved prior to June 6, 1978 when Proposition 13 was adopted. With the recent enactment of Assembly Bill 8, these revenue districts and the tax rate areas take on renewed importance. Future growth in property tax revenues due to increases in the assessed values will be shared among those revenue districts in which the individual properties are located. This legislation will require the revision of many of the annexation filings made earlier in 1979 and will cause a significant increase in the number of new tax rate areas.

### *Private Railroad Car Tax*

The only property tax levied, collected and retained by the state is the tax on privately owned railroad car fleets when cars operate in California. These fleets are owned by firms that lease cars to shippers, companies that haul their own material, and companies that provide a pool of cars for a fee. This tax is not imposed on cars owned by railroads, as they are subject to the property tax and are included in the unit value of the railroads. The tax is based on the number of days the fleet is in the state, the market value of the fleet, and the average tax rate imposed on all other properties.

The tax levied on private railroad car fleets amounted to $4,262,940, down considerably from the pre-Proposition 13 levels because of the drastic decrease in the tax rate of other property. Though the revenues from this tax are small compared to other tax programs, the administrative costs are also small, so that the revenue/cost ratio is more than 20-to-1.

### *Assessment Practices*

The Board's involvement in property tax administration which began with intercounty equalization and utility valuation was expanded to include supervision over the practices of the state's 58 county assessors. During the height of the Great Depression of the 1930s, taxpayer dissatisfaction with high property taxes and what many felt was excessive support for schools led to the 1933 constitutional amendments that implemented the Riley-Stewart Plan and expanded the Board's property tax responsibilities. As the Board became more closely involved with county assessment programs, it complied with a request from the County Assessors Association to appoint an Advisor to Assessors. His assignment was to work with the assessors and the Legislature to develop uniform standards and procedures, to provide technical guidance, and to advise the Board about the uniformity of assessment practices.

This advisory function soon grew into the Board's Assessment Standards Division, which, under the direction of the Board, has over the years been assigned responsibility for a variety of technical services, including direct appraisal assistance, technical manuals, informational letters, building cost manuals, contract mapping services, management studies, contract audit services, and training in appraisal and assessment procedures. The Board also prescribes or approves property tax forms, responds to inquiries from taxpayers and from other governmental agencies, develops property tax rules, reviews all claims for the welfare exemption filed with county assessors, and surveys the assessment practices of county assessors' offices.

The Board provides real property technical assistance to county assessors. Property Appraiser Don Ide locates a new rural recreational subdivision in Modoc County where the Board staff is assisting the county assessor in a large reappraisal project.

As conditions changed through the years, so did the principal activities of the assessment standards program. Following the war years of the 1940s, technical assistance was emphasized as the county assessors began to rebuild their staffs which had been depleted by military service, and to modernize their techniques and procedures to cope with the rapidly expanding and diversifying inventory of taxable properties.

The present characteristics of the assessment standards program were shaped to a great extent by the assessor scandals of 1965. Assessment irregularities in some counties led to indictments of some assessors for malfeasance. As a result of these scandals, legislation was enacted in 1966 which imposed central control over such functions as appraiser qualifications and training, and mandated periodic reviews in depth of the assessment practices of each county.

### *Training and Certification*

Training and certification of the appraiser staffs of the counties continues to be a major function of the Board. The program was revised extensively in 1978 to teach new procedures and concepts necessitated by the adoption of Propositions 13 and 8, the enactment of legislation to implement and interpret these amendments, and the subsequent rules adopted by the Board. A series of workshops conducted at numerous locations around the state dealt specifically with these recent significant changes to California's constitutionally mandated property tax structure.

The enactment of Assembly Bill 1488 required a new series of workshops to be scheduled for the forthcoming year to instruct about 1,500 assessors' appraisal staff members in the provisions of the legislation which deal with change in ownership and new construction, and specifies under what conditions real property must be reappraised.

### *Property Tax Exemptions*

The basic constitutional premise that governs California assessment law is that all property is taxable unless it is specifically exempt. That is, the assessor is charged with assessing all property in his jurisdiction except property which is exempt under federal law, such as merchandise in interstate transit, or property specifically exempted under California law.

Administratively, the assessor has a difficult, often perplexing job simply trying to determine the taxable status of each property in his jurisdiction. For instance, the assessor may need to examine shipping documents to verify that merchandise was in interstate transit and had not acquired a taxable situs in his county. Several types of property, such as churches and qualifying welfare institutions, must be assessed but are then exempted. Owner-occupied residences and business inventories are assessed but receive partial exemptions. A few properties, such as nonprofit golf courses and certain open-space lands, do not receive exemptions, but the assessor is required to value these properties on the basis of their restricted use. The assessor is also partially responsible for the administration of in-lieu taxes on racehorses, beef cattle, and sheep.

The Board acts in an advisory capacity on all exemptions and is directly involved in the administration of the welfare exemption. During the past year, the staff presented two exemption seminars to assessors' personnel from 23 counties, prepared an 88-page guide to all exemptions, responded to two subpoenas concerning welfare exemptions, prepared exemption claim forms for assessors' use, and responded to numerous inquiries from assessors, news media, and taxpayers. See Appendix Table 8 for exemption statistics.

The welfare exemption is a total exemption from property taxes for qualifying properties owned and used by nonprofit religious, hospital, scientific, and charitable organizations. The Board must review each claim and decide if the properties are qualified. Without this determination the county assessor cannot grant the exemption. During this past year the Board's staff reviewed approximately 8,200 claims covering 13,300 properties with an aggregate assessed value of $1.7 billion. These exemptions represent a direct loss in property tax revenues to all levels of local government.

### *Contract Audit Program*

The 1966 property tax legislation provided that all assessments of personal property with a full value of $50,000 or more (changed to $100,000 in 1977 and to $200,000 for 1979–80) were to be audited at least once every four years. For those property owners who maintain their records outside California, the cost of performing these audits could be costly if each county assessor were to conduct his own audit independent of other counties in which the same owner maintains properties. A number of counties have grouped together to make cooperative audits, so that one auditor makes the audit of all properties located in each of the cooperating counties.

The Board offers a variation of that service through its contract audit program. Since the Board maintains permanent offices with audit staff in Chicago, New York, and Houston it can provide this audit service at reduced travel costs. Whenever possible, these audits are performed for multiple counties to reduce the cost further. During fiscal 1978–79, the Board performed 162 audits for 23 counties.

Bernice Velarde reviews lists of homeowners' exemptions granted by the counties.

Debbie O'Brien checks the printout on a word processing machine used to speed preparation of Assessment Practices Surveys and Assessors' Handbooks. Word Processing Technician Bernice Velarde is seated in background.

### *Assessors Handbooks and Information Letters*

With the adoption of Proposition 13 in 1978, efforts to revise and add to the Assessors Handbook series had to be diverted to preparing instructional material on the interpretation and implementation of 13's provisions. Nevertheless, some sections of the Handbook series were updated to reflect current cost and market data. These sections included AH 531, *Residential Building Costs;* AH 532, *Commercial Building Costs;* AH 533, *Industrial Building Costs;* AH 581, *Equipment Index Factors and Inventory Ratios;* and AH 587, *Aircraft Valuation Data.* The Board also published AH 588, *Lessors and Consignors,* a semiannual publication. Two significant changes were made to AH 531, *Residential Building Costs.* A new "minicost" section was added to simplify the cost estimate procedure for noncustom houses, and a section was added for solar heating costs.

Informational Letters to Assessors are utilized by the Board as supplements to the Assessors Handbooks. They provide the means through which the Board can communicate rapidly with the assessors and their staffs to notify them when important changes occur in the property taxes programs. Eventually their content is incorporated into the appropriate edition of the Handbook. During the past year, most Letters to Assessors dealt with Proposition 13, its implementing legislation, and the subsequent rules adopted by the Board. In addition, record numbers of letters were received from the Legislature, the assessors, and from individual taxpayers, covering the full spectrum of Proposition 13 and related problems. With the recent enactment of Assembly Bill 1488 which contained revised definitions of change in ownership and new construction, the Board expects the heavy volume of mail to continue.

Alice Portillo (Office Assistant II) manages the Assessment Standards Division library which contains copies of all assessment practices surveys performed by the Board, Assessors' Handbooks, instructional Letters to County Assessors, and standardized county assessor forms prepared by the Board for uniform use throughout the state.

Associate Real Property Appraiser Lee Gilmore consults the Assessors' Handbook as he drafts an Information Letter to County Assessors advising them of implementing legislation for Proposition 13 and subsequent rules adopted by the Board.

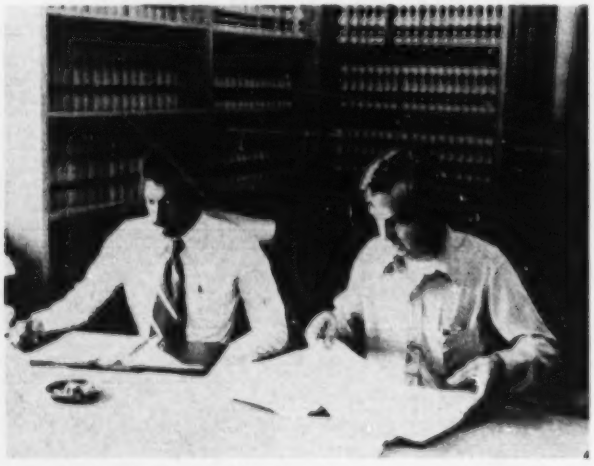
Property Appraiser Melvin Gruenhagen reviews appraisal records during an assessment practices survey in Tuolumne County. The Board of Equalization surveys the operations of each county assessor's office once every six years.

Board Management Analyst Theodore Henderson (left) discusses budgeting procedures with Tuolumne County Assessor David Wynne.

Exemption Supervisor Vance Price (left) and Auditor-Appraiser Charles Knudsen, both of the Board's Assessment Standards Division, review exemption claims filed with county assessor's office.

Tuolumne County Auditor-Appraiser John Gallagher prepares a personal property assessment while Associate Property Appraiser Bernard Hazeltine researches ownership data.

Board Management Analyst Theodore Henderson (center) discusses workload summaries and projections with Tuolumne County Assessor David Wynne and Assessment Clerk Jacki Antonini.



Board Analyst Theodore Henderson (left) studies survey interview notes while Auditor-Appraiser Charles Knudsen analyzes the Tuolumne County assessor's organization chart.

### *Assessment Practices Surveys*

The 1966 legislation that significantly altered the Board's assessment standards program also introduced the assessment practices surveys. These reports review and analyze the assessment program in each county, evaluate the adequacy of staff, equipment, and budget required to perform the assessing function. Each county must be surveyed at least once every six years. During 1978–79 the last group of counties completed concluded the second six-year cycle of surveys.

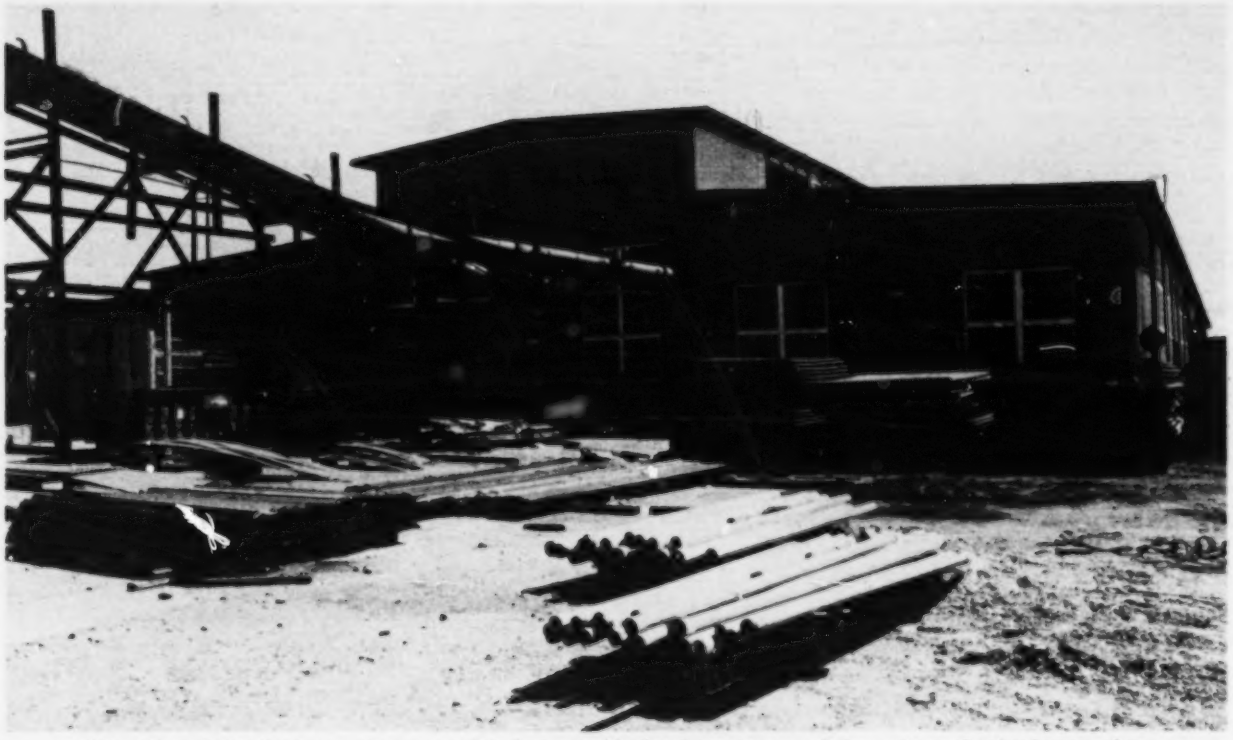
To perform a survey, a team of Board specialists visits the assessor's office, examines appropriate records, and interviews the assessor and members of his staff. The team analyzes the assessor's needs and performance; the adequacy of equipment, maps, personnel, and other budgetary items required for the operation; the appropriateness of appraisal methods used; the assessor's efficiency in using existing resources; and the degree of assessment uniformity achieved by the assessor's operation. The review culminates in a report that describes the team's findings and contains recommendations for improving the quality and efficiency of the assessor's procedures.

By statute, each report is sent to the assessor, and to the Governor, the Attorney General, the Senate, the Assembly, and to the board of supervisors, the grand jury and the assessment appeals board of the surveyed county. Within one year of publication, the assessor must file with the board of supervisors a written response to the recommendations contained in the report.

As the third cycle of surveys begins, the assessors are conducting their programs differently, since Proposition 13 altered the property tax structure in California. More than half of the 58 county assessors took office for the first time in January 1979, and most county assessor offices have experienced significant staff changes.

As the fiscal year ended, the Board authorized a special augmentation to the regular assessment practices surveys. A series of mini-surveys of the county assessors' offices will be conducted by Board staff to investigate specific issues in all counties in greater depth and more frequently than is possible on the once-in-six years basis. Topics under consideration for future mini-surveys include "Change in Ownership Processing," "New Construction," "Conflict of Interest," and "Mandatory Audits."

Solar homes are one of the new technologies challenging county assessors. The Board advises county assessors on modern appraisal guidelines to ensure statewide uniformity of assessment practices.



Sales of harvested timber to saw mills are one of the factors used by Board appraisers to calculate semiannual timber harvest values.

*Timber Tax*

The newest of the Board's Property Taxes divisions is the Timber Tax Division. In 1976 the Board was assigned administration of the Timber Yield Tax, enacted to replace the property tax on standing timber with a new tax to be imposed on trees as they are harvested. The tax consisted of a timber tax rate of 6 percent and a reserve rate of 0.5 percent, with a provision for annual adjustment of both. The reserve rate assures that the timber tax fund is sufficient to meet the revenue guarantee of the participating counties. Since there was a surplus in the timber tax fund the Board discontinued the 0.5 percent reserve in 1979.

As required by law, the Board adjusts the yield tax rate annually in December for the next calendar year in proportion to any change in the average rate of general property taxation in the 17 rate adjustment counties.

Rate adjustment counties are essentially timber counties, and are listed in the Timber Yield Tax Law as follows: Alpine, Del Norte, El Dorado, Glenn, Humboldt, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Yuba. The Board adjusted the rate in December 1978, after public hearings, to a new yield tax rate of 3 percent, effective January 1, 1979 through December 31, 1979.

The Board's Timber Tax Division registers timber owners, provides tax returns, compiles harvest reports, processes tax returns and tax payments filed, and conducts verification audits. It also formulates proposed rules and regulations for approval by the Board members. Staff personnel make field examinations and analyses of timber and log sales to be used in the preparation of semiannual timber value schedules which, upon endorsement by the Board, become the official values to be used in calculating the tax. The staff also reviews sales of timberland to establish values for land zoned as timberland preserve.

The law requires that timber owners file quarterly tax returns and harvest reports. Through fiscal year 1978–79, the Board maintained approximately 1,900 active accounts with new registrations and closeouts averaging 100 per month. Total tax collections on timber harvested from April 1, 1977 through June 30, 1979 amounted to $73 million. The total value of all timber harvested for that period was approximately $1.1 billion. During fiscal 1978–79, total yield tax collected was $43 million on a timber value of $701 million for the 4.4 billion board feet harvested.

Revenues from the Timber Yield Tax are distributed by the State Controller to counties that assessed timber from 1972 to 1974. Each of these counties re-

ceives a guaranteed amount that represents the average annual property tax that the county collected on timber during the three-year period (See Column 7, Table 16 in the Appendix). The county auditor then distributes the timber tax revenue to each of the timber revenue districts within the county according to each district's share. If the total revenues exceed this guarantee and after costs also exceed a specified reserve amount, the surplus is distributed to all timber counties in proportion to where the taxes were collected. The county auditor makes this distribution based on harvest data compiled by the Board. The yield tax revenue guarantee is distributed semiannually—50 percent on November 30 and 50 percent on May 31. If there is any surplus, it is distributed annually on August 1.

There have been four timber tax revenue distributions to the counties—November 1977, May and November 1978, and May 1979—totaling $53 million. The value of timber harvested to produce this tax was approximately $810 million. An additional revenue distribution from the surplus reserve account was made on August 1, 1979.

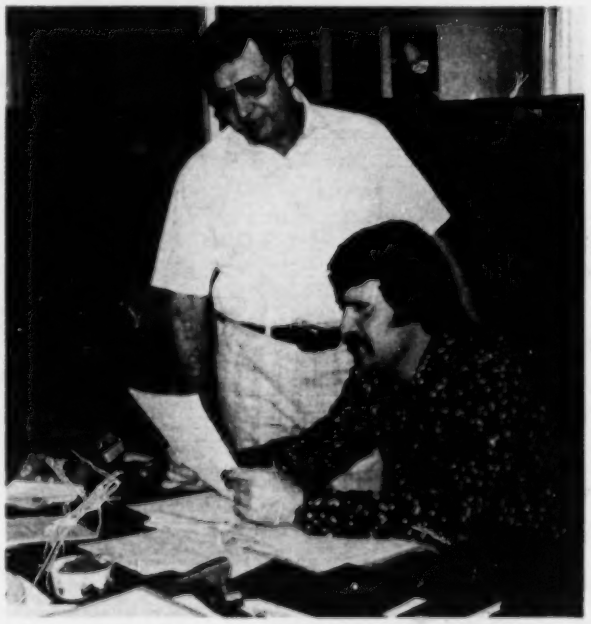
Timberlands—lands on which timber is growing but excluding the timber itself—are subject to county assessment and are valued according to a schedule of values prescribed in the yield tax law for lands zoned as timberland preserve. Land assessed as timberland by the county assessor on March 1, 1976 was placed on a list designated List A and considered by the county for inclusion in the timberland preserve zone. During 1977, each assessor compiled a second list of properties which, in his judgment, appeared to be lands used for growing and harvesting timber but which were not on his original listing. Designated as List B, this category was also considered for inclusion in the timberland preserve zone. Since November 1, 1977, a landowner whose land was not included on List A or List B could petition local government for inclusion in the timberland preserve zone. There were approximately 5.7 million acres zoned as timberland preserve by June 30, 1979.

At the time the law was adopted the Legislature prescribed a timberland value schedule that was to be used in preparing the assessment rolls through 1979–1980. During the forthcoming year the staff will develop new data on timberland values which will be considered by the Board when it adopts a new timberland value schedule in December as required by law.

In accordance with the law, a Timber Advisory Committee was appointed by the Board. It includes the Third District Member of the State Board of Equalization, the Honorable William M. Bennett; a forester from the State Department of Forestry; the assessors from Del Norte, Humboldt, Modoc, Plumas, and Tehama counties; and one representative each for large-scale and small-scale timber owners. The large-scale representative is the resource manager for Diamond International Corporation in Red Bluff, and the small-scale representative is a member of the Forest Landowners of California.

Senior Forest Property Appraiser Max M. Frizzel extracts a core sample to determine the age of a tree.

After consultation with the Timber Advisory Committee, the Board adopts harvest value schedules no later than June 30 and December 31 each year. The harvest value schedules are prepared for different areas of the state after field examination and analysis of sales of standing timber and logs. The harvest value schedules must be used by the registered timber owners to compute the value of their harvested timber and the amount of tax payable to the Board.



Carl Vandrie, Tax Auditor III, Ted Jordan, Senior Tax Representative, determine timber harvest value areas.

## PROPOSITION 13 REVISITED

The 1978–79 fiscal year was another milestone in the history of the Board's property tax program, for it was the year of Proposition 13. The year began just 24 days after the initiative was adopted by the voters and just two days after implementing legislation was passed by the Legislature. The impact of its provisions on the Board's activities has been documented in the preceding pages of this section.

The greatest impact was felt by the county assessors and their staffs. The election was held on June 6, 1978 and the assessment rolls were required by law to be completed by July 1, 1978. The Legislature extended the deadline for completing the roll to August 21, 1978. Only a few counties were able to comply with all of the provisions of the initiative; others invoked two special provisions of the implementing legislation. First, the assessor was authorized to make roll corrections throughout the year without the customary formalities. Second, the Legislature extended to June 30, 1980 the deadline to complete the 1975 base year reappraisals of property.

All counties were able to complete the reappraisals necessitated by change in ownership, reappraisals of most of the major new construction, and the rollback to 1975 values. Only a few were able to comply fully with the 1975 base year reappraisals. The correction process continued throughout the year. When the rolls were completed on August 21, the gross assessed value amounted to $116.9 billion and by March 1, 1979, the date the rolls are officially closed, the assessed value totaled $119.5 billion.

Two provisions of the initiative caused immediate problems that led directly into court action. First the initiative provided that, "All real property not already assessed up to the 1975–76 tax levels may be reassessed to reflect that valuation." This wording, the provisions of Assembly Bill 1571 which extended the time for filing assessment appeal applications for fiscal 1978–79 to September 30, 1979, and the rules subsequently adopted by the Board caused some county assessors to reappraise all 1975 base year properties regardless of whether they had been reappraised at the time the 1975 assessment roll was prepared. This led to immediate court action in Alameda and Contra Costa counties. A superior court judge in Alameda County ruled that the assessor should not have reappraised those properties whose 1975 values were already the result of a reappraisal for the 1975 roll.

Before the issue could be appealed to a higher court the Legislature enacted Senate Bill 17 which contained language similar to that in the judge's decision. The Contra Costa County case was therefore dismissed. As a result of Senate Bill 17, several counties had to roll back the assessments on many of the properties they had reappraised for the 1978–79 roll.

The second major problem was with the rate to be applied in assessing the unsecured roll. Section 12 of Article XIII of the California Constitution provides that the unsecured roll be assessed at the prior year's secured tax rate ($10–$12 per $100 of assessed value). Section 1 of Article XIIIA limits the maximum rate for real property to 1 percent ($4.70 per $100 of assessed value after allowing for debt service), and Section 2 of Article XIII specifies that "the tax per dollar of full value shall not be higher on personal property than on real property in the same taxing jurisdiction." 22 counties used last year's rate while 36 counties followed the Board's advice and used the Proposition 13 rate. A lower court has held that the lower rate should be applied, but that decision has been appealed.

Between legislative sessions and into the spring of 1979, a legislative-appointed task force met to study the provisions of Proposition 13. Most of the task force's recommendations were written into law and finally emerged as Assembly Bill 1488. This legislation dealt extensively with change in ownership and new construction, two of the major problem areas of the initiative. Implementation of task force recommendations was delayed because the original legislation, Assembly Bill 156, was vetoed by the Governor and the key language had to be reintroduced into Assembly Bill 1488, which was finally signed on July 10, 1979, ten days after the counties were to have the assessment rolls completed.

The uncertainty of the final provisions of the new implementing legislation and the uncertainty of whether it would become law plagued the assessors all during the assessment season. To compensate for the late passage of this legislation, the Legislature granted a 31-day extension for completing the rolls and many counties asked for and received up to 30 additional days from the Board.

Even with this confusion the 1979 assessment rolls advanced by 13.5 percent to $119.5 billion. Four factors contributed to this unusually large increase in assessed values despite the value restricting provisions of Proposition 13.

1. Market values continue to rise at a record pace on all residential and rural properties.
2. A larger than anticipated number of properties experienced changes in ownership.
3. Residential construction continued at a high rate throughout most of 1978.
4. Several counties registered significant gains on their reappraisals of 1975 base year properties.

Again the Legislature eased the provisions for correcting the roll, but it is unlikely that future roll additions will reach the magnitude of this year. Cleanup efforts will continue but the more significant reappraisals have been completed.

## Property Taxes Legislation

Following is a brief summary of bills that were passed during 1978–79 which are of significance to the Board's property taxes operations:

*Proposition 8—November 7, 1978*

Proposition 8 was approved by the voters of California on November 7, 1978. It was placed on the ballot by the Legislature with the passage of SCA 67 (Chapter 76). This amendment to Article XIIIA provided that reconstruction after a disaster is not "new construction" within the meaning of Article XIIIA if the fair market value is comparable to the value before the disaster. It also provided for recognition of decreases in value, as Proposition 13 required annual increases for inflation (not to exceed 2 percent per year) and only allowed for decreases if the Consumers Price Index turned negative or property was removed from the assessment rolls.

*Assembly Bill 8—Chapter 282—July 24, 1979*

Provides for long term sharing of the property tax among the various units of local government and between the property tax and the state's general fund for the funding of the public education system for grades K through 12. The property tax portion of school finance is reduced from the Proposition 13 high of about 60 percent to a new level at 20 percent. The legislation addresses the Serrano decision by reducing the gap in spending limits per child between the various school districts over the next several years. This legislation also provides the mechanism for sharing future property tax revenues among the local taxing agencies as assessed values change. Both the school funding provision and growth in assessed value procedures will affect the Board's workload.

*Assembly Bill 1488—Chapter 242—July 10, 1979*

Defines ownership change and specifies procedures for assessment of restricted properties, such as open space lands and timber properties. It defines new construction and adds major rehabilitation to the previous definition, enumerates conditions for assessment appeals, provides for reporting change of ownership and purchase price, and extends the time for 1979–80 roll preparation. It also provides implementing language for decline in value as provided for in Proposition 8 which was adopted by the voters on November 7, 1978.

*Senate Bill 17—Chapter 49—May 1, 1979*

Provides that if the value shown on the 1975 tax roll was not established by an appraisal for that roll, a new appraisal could be made using factors and data that were used in reappraisals for that tax roll. The effects of this legislation are retroactive for 1978–79; the assessors have until June 30, 1980 to complete the task.

*Senate Bill 154—Chapter 292—June 24, 1978*

This so-called Proposition 13 "bail-out" bill allocated state money to local government to provide partial relief from temporary difficulties resulting from voter approval of Article XIIIA (Proposition 13). It also defined "full cash value" and "change of ownership" under Article XIIIA.

*Senate Bill 1571—Chapter 353—July 4, 1978*

Extended the time for filing assessment appeal applications for the 1978–79 fiscal year to September 30, 1978. Also provided that, for the 1978–79 fiscal year only, assessors' roll corrections could be made without approval of the board of supervisors and any resulting reduction in taxes could be paid without an application by the assessee.

*Senate Bill 2212—Chapter 332—June 30, 1978*

This was the second implementing bill for Article XIIIA revising some provisions of SB 154. It also added a number of exclusions to the definition of change of ownership.

# V. ECONOMIC ANALYSIS

To understand the California economy, it is necessary to look first at the national scene. Many important economic indicators, such as the Gross National Product, are compiled only on a national basis.

During the 1978–79 fiscal year national economic indexes which are closely monitored made significant gains despite the slowdown as the year wore on. Civilian employment rose 2.1 percent as 2.1 million jobs were created during the year. The rate of unemployment was cut slightly from 5.8 percent in June 1978 to 5.6 percent a year later. Personal income, generated by higher income levels and additional wage earners, advanced 11.7 percent, the same as in 1977–78. Abnormally cold weather, especially in the midwest, held down industrial output during the first quarter of 1979. April output was further depressed by the Teamsters' strike. In May, however, it bounced back, but not impressively.

Early in 1978 many analysts were forecasting a recession to begin later in the year or early in 1979, but the economy kept surprising them. When a surge of consumer spending in the final quarter of 1978 led to a 6.9 percent jump in real (inflation-adjusted) gross national product (GNP) many economists revised their recession forecasts to the second or third quarter of this year. (GNP is the broadest measure of the total value or output of goods and services in the nation.) Then when the real GNP fell at a rate of 2.3 percent in the spring of this year the size of the drop again surprised nearly all analysts, contributing to their current pessimism.

The state of the nation's economy has been bandied about for months. In fact, this has been labeled as the most widely heralded recession that has ever occurred. In mid-July 1979 the Carter administration predicted no recession and a significant slowing of inflation in 1980. Officials anticipated a slight dip in the economy of only five-tenths of 1 percent in 1979 and a rebound of 2 percent in 1980. Unemployment was projected to rise to 6.6 percent late this year and 6.9 percent in the fall of 1980.

By early August 1979, however, this rosy economic forecast was replaced by visions of higher unemployment and greater inflation. The decline in the economy was then predicted to be 1.4 percent with a recovery of 1.1 percent. The unemployment prediction for 1980 was revised to 8.2 percent instead of 6.9 percent.

The national decline in real consumer spending in the spring of 1979, i.e., after adjustment for inflation, was precipitous. The weakness in consumer buying in recent months has been actuated by declining real incomes, shortages of gasoline, and growing uncertainties over the strength of the expansion. Spurred by the skyrocketing price of gasoline, the accelerating inflation outstripped the growth of earnings, eroding the real purchasing power of consumers' incomes. Reflecting these losses and heightening concerns over inflation, consumer confidence in the economy appears to have dropped sharply. Two widely accepted measures of consumer confidence, the Conference Board Index and the University of Michigan Index, are close to their lowest levels in the past four years.

### *Inflation and Energy*

Inflation and energy have become the domestic subjects of most concern to Americans. The recent downturn in the nation's economy is largely attributable to both factors. It now appears that nationally retail sales began to taper off early in 1979 as consumers felt the impact of double-digit inflation eroding their incomes. Spiraling prices of gasoline and other fuels, capped by sporadic shortages, evidently triggered further cutbacks which have pushed the economy into a recession. The reality of recession is not easy to document because the economic indexes are interpreted differently by leading economists. Erratic behavior of some indicators, furthermore, creates questions about their meaning. Indeed, throughout the expansionary period since the recession of 1974–75, there have been isolated voices predicting imminent if not impending recession.

The generally accepted definition of a recession requires two successive quarters in which GNP after adjustment for inflation actually declines. Some experts question this definition, but every recession since World War II has been characterized by two back-to-back quarters in which real GNP has declined. The National Bureau of Economic Research, a private organization that decides when a recession is official, considers many factors besides GNP. In August the Bureau's business-cycle-dating committee stated it lacked the evidence to declare a recession. The group noted that the Federal Reserve Board's industrial-production index had declined but slightly in the second quarter despite the sizeable drop in GNP. Employment also continued strong.

GNP in real terms (constant-value dollars) increased during the first three quarters of the fiscal year by annual rates of 3.5, 5.6, and 1.1 percent, re-

This Yolo County farmer received a substantial reduction in his property taxes as a result of the passage of Proposition 13 in June 1978. The constitutional amendment also limited property taxes on residential, commercial, and industrial property.

spectively. Then in the final quarter it fell by 2.3 percent. With a lag of several months in the availability of statistics, it is apparent that a recession may begin months before it can officially be recognized as a recession. The diminished growth rate in the first quarter of 1979 followed by negative growth in the second quarter point unmistakably to economic downturn. The questions now are how long will it last, how deep will it be, and for Californians, how pervasive will it be.

More important than the precise timing of the economic downturn is the fact that a significant slowdown in business activity has developed. Now the more important issue is how severe the downturn is apt to be. Government officials see slower growth as an antidote to inflation. Many businessmen and market analysts have felt that the sooner a downturn begins, the milder it would be and conversely, the longer it is in coming the deeper it would be.

The recession is expected to be less severe in California than in most of the nation. Indeed some leading California economists have predicted merely a slowdown for the Golden State. Other western and Sun Belt states are also expected to weather the recession well. These economists base their analyses on a number of factors which tend to make California's economy resilient.

1. Our economy is more diversified than that of any other state. Agriculture, manufacturing, services, trade, and government are well represented.
2. Our population is growing and has a high proportion of young adults who provide a vigorous work force and a strong consumer market.
3. Higher wages provide higher per capita personal income. Last year it was 13 percent above the national average.
4. Californians recently have benefited from tax cuts which the rest of the nation did not get. These include Proposition 13's property tax reductions and state income tax cuts enacted in 1978.

The nation's monthly composite index of 12 leading economic indicators, a cyclical indicator comprised of various measures of employment, production, consumption, and investment, was rather flat throughout the fiscal year. Beginning the year at 142.5 (1967 = 100), it had fallen to 139.8 as the year closed. The index dropped from 143.1 in March to 139.9 in April and remained at the lower level during May and June. Three successive monthly declines in this index point to recession.

Persistent inflation has affected the spending patterns of California consumers. Shoppers select produce at a supermarket in Fresno. Since 1950, Fresno County has led all counties in the nation in agricultural production.

The index of industrial production which measures the physical volume of output of the nation's factories, mines, and utilities displayed strength from the beginning of the fiscal year until March, rising from 146.1 to 153.0 (1967 = 100). It dropped abruptly in April to 150.8 but jumped back to 152.4 in May and remained above 152.0 through early summer.

The California Index of Leading Indicators rose from 118.2 in July 1978 to a peak of 126.8 in March 1979 (1972 = 100). In April it fell abruptly to 122.8, the largest monthly downturn since May 1970; it jumped back in May to 125.9, then declined slightly in June to 125.2. The downturn of this index indicates a softening of California's economy.

### *Inflation's Inroads*

Inflation has gripped the U.S. economy for more than a decade, the longest period in our history. The current inflation has survived both mandatory and voluntary wage-price controls and two recessions. Since 1966 consumer prices have risen an average of 6 percent annually For months at a time it has flared up in double-digit proportions. Such persistent inflation threatens both the social and psychological well-being of our citizenry.

The administration has adopted voluntary wage-price guidelines, but these are not effective in controlling increases in either wages or prices. Many economists feel that only a severe and lengthy recession will reduce the rate of inflation appreciably. The director of the government's Council on Wage and Price Stability notes that if extremely restrictive economic policies could be enforced, for every percentage point such policies shaved from the inflation rate an additional million workers would be dropped from payrolls for two years. This price is too great to pay voluntarily. Furthermore, as unemployment would rise under recessionary pressures, the administration would be pressured to resort to old policies that have nurtured inflation in the past.

The persistence of highly inflationary price increases is a matter of utmost concern. As most economists see it, there are three ways to fight inflation: by tightening government spending, and using tax and monetary policies aimed at reducing demand; by direct government intervention to restrain wages and prices through voluntary guidelines, mandatory controls, or tax incentives and penalties; and by "structural" changes that, among other things, reduce the costs of government regulation on business and increase incentives for capital investment. Most economists think that fiscal and monetary restraints are needed.

As the fiscal year closed, the personal income of Californians was about $220 billion as a seasonally-adjusted annual rate. Civilian employment passed the 10 million mark during the final quarter of 1978 and by June 1979 had reached 10,191,000, an increase of 3.6 percent from a year earlier. During the year unemployment was reduced by 125,000 to 652,000. The rate of unemployment was cut from 7.3 to 6.0 percent. As a consequence of Proposition 13 state and local government employment shrank by nearly 100,000 between May 1978 and June 1979. Most were accounted for by normal attrition; booming economic conditions contributed to the relocation of others in the work force.

Business was bolstered in the spring by refunds from federal and state income tax returns for the 1978 income year. The U.S. Bureau of Internal Revenue refunded $4,311,976,000 to 7,449,000 Californians. The California Franchise Tax Board refunded $1,463,000,000 on 6,900,000 personal income tax returns. Part of the effect of Proposition 13 is evident in the refunds of federal tax which were 4.5 percent less than in the previous year. Property taxes under Proposition 13 were reduced for only six months of 1978. Since personal income taxes are computed on a calendar year basis and property taxes are based on the fiscal year, the full impact of Proposition 13 cuts on income taxes will not be evident until tax returns are filed for 1979.

Franchise Tax Board refunds were more than 50 percent higher than for the preceding year because of the massive cuts enacted by Assembly Bill 3802 following passage of Proposition 13. The bill quadrupled personal credits for one year only, from $25 to $100 for single persons and from $50 to $200 for married couples. Substantial overpayments of personal income taxes occurred prior to the enactment of AB 3802 because both withholding and declarations of estimated tax during the early part of the year were based on pre-AB 3802 levels.

### *Fiscal and Economic Impact of Proposition 13*

With the passage of Proposition 13 on June 6, 1978 the electorate voted to limit current taxes on all types of property--residential, commercial, industrial, and agricultural—to 1 percent of market value as it existed on March 1, 1975, plus a rate to cover voter-approved indebtedness, and to limit increases in assessments generally to a maximum of 2 percent annually. The reduction in revenue was approximately $6,886,000,000 for 1978-79, or 56 percent of what the property tax bill would have been without Proposition 13.

How did local government—cities, counties, schools, and other special districts—survive a tax cut of this magnitude? They did not sustain a revenue reduction of this magnitude. Although the property tax had been a major source of revenue for local government, sizeable funding was also provided through state and federal aid. Proposition 13 did not affect federal assistance to California's counties. Many districts had accumulated surplus funds and the administration moved quickly to propose legislation that allocated $4.2 billion from the state's gen-

eral fund surplus as outright appropriations and $900 million was appropriated for emergency loans if needed. Because of these massive infusions of state monies, many cities and counties actually increased their spending during 1978–79.

Before the votes on Proposition 13 were entirely tallied, the administration froze all hiring by the state and pledged there would not be any new taxes to offset the property tax loss to local governments. Although the initiative did not specifically limit government spending, it forced a drastic reduction by slashing property tax rates from approximately 2.7 percent of market value to a mere 1 to 1.20 percent, depending upon the amount of outstanding voter-approved indebtedness.

In the aftermath of Proposition 13 the Governor signed Assembly Bill 3802 which he called the "largest state tax cut in the history of California". The bill provided for a one-time state income tax rebate of $675 million based on income tax returns for 1978. For 1978 filing only, the personal income tax credit was increased from $25 to $100 for single persons and from $50 to $200 for couples filing joint returns. Capital gains up to $100,000 from the sale of an owner-occupied house were exempted from personal income tax. This exemption was available on a one-time basis for any sale occurring after January 1, 1978.

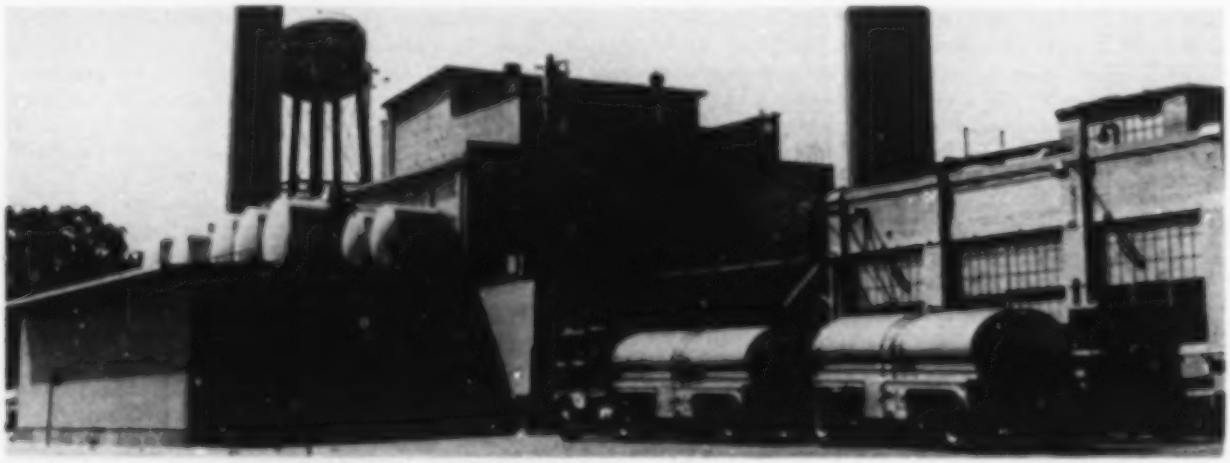
Another feature of the bill provides for partially indexing personal income taxes to offset inflationary increases which lift taxpayers into higher tax brackets (the phenomena has been identified as "taxflation" or "bracket creep"). Income tax brackets are indexed for inflation above 3 percent. Assuming the inflation rate is 7 percent, the brackets will be widened by 4 percent. The first bracket for joint return will be $0–$4,160 rather than $0–$4,000 under present law. The tax savings is estimated at $250 million for 1978–79 and $390 millon for 1979–80. Other features of the bill provide additional relief to senior citizens, to the disabled, and to renters who are on welfare.

The impact of Proposition 13 during its first year was far milder than anyone had predicted. Gloomy forecasts of disastrous impact on local government in slashing employment and severe cutbacks in programs and services had been made prior to the election June 6, 1978. A poll of voters taken on that very day demonstrated that they strongly favored reductions in welfare expenditures. As it turned out the largest reductions were in libraries, parks, and recreation, areas where the public did not want cutbacks. The initiative could have but little effect on welfare costs because these had been funded primarily by state and federal monies and subsequently the state has assumed an even greater share of these costs.

### *Proposition 13: Who Has Benefited?*

Business has been the real beneficiary of Proposition 13. Only about $1.7 billion or 24 percent of the $7 billion tax cut went to owner-occupied residential property. Commercial, industrial, agricultural and rental property received about 40 percent of the tax benefits, or $2.9 billion. The benefit gap between 24 percent for homeowners and 40 percent for all others is certain to be widened in the future.

Where is the other 36 percent of the $7 billion? This amount was merely shifted from local governments to the federal and state governments. Approximately $1.6 billion or 22 percent was taken by the federal government. This occurred because as individuals and businesses paid less in property taxes they had smaller property tax deductions to claim on their federal income tax returns and therefore were liable for a higher federal tax. The remainder, nearly 14 percent or $1 billion, went to the state in higher income taxes for the same reason, and reduced subventions for the homeowners' and business inventory exemptions.



Business property has been the chief beneficiary of Proposition 13 with 40 percent of the tax benefits going to commercial, industrial, agricultural, and rental property. By comparison, only 24 percent of the tax cut went to homeowners.

These homes of similar market value will eventually be taxed at dramatically different levels as a result of the inequities created by Proposition 13.

In the wake of Proposition 13 Governor Brown appointed a blue-ribbon Government Reform Commission to study the impact of the initiative and advise ways to deal with it in future years. The panel was headed by A. Alan Post, formerly the state's distinguished legislative analyst. The panel predicted that the proposition will force a modest increase in state taxes within four or five years. Post predicted a counterrevolt by taxpayers after its true impact is felt in the 1980s after state surpluses are no longer available.

A study by three UC Berkeley professors implies that taxpayers have not gotten everything promised by Proposition 13. They have found that the high rate of inflation has produced high levels of state income and sales tax revenues, and that Proposition 13 has produced only modest tax relief. The study entitled "Proposition 13, Property Transfers, and the Real Estate Markets," found that the progressive structure of state income tax rates consumed the homeowners' real income more than the "extravagance" of local government. As an example, a homeowner in the $20,000–$25,000 income bracket who paid 8.6 percent for three taxes in 1976–77 (state income, sales and property taxes) will be paying 11.7 percent by 1981–82 despite the limitations imposed by Proposition 13. Recent legislation which has indexed personal income taxes will somewhat reduce the rate of growth in this overall tax burden.

### *Proposition 13: Inequities*

Inequities created by Proposition 13 have already aroused concern among homeowners. The Board's correspondence reveals problems homeowners are having as a result of the initiative. To illustrate what is happening, let us look at four homes as typical examples. For comparative purposes, assume that they are located in the same county and were comparable in value and construction in the 1975–76 tax year, established by Proposition 13 as the base year for values.

Assuming that the four homes were valued at $40,000 each that year, let us project ahead to 1980–81 to show how the values of those four homes will differ widely in a few years after passage of Proposition 13.

Number one has remained under the same ownership, but inflation and soaring real estate values have increased the market value at a 15 percent annual rate to $80,454. The appraised value, however, has risen only by the annual 2 percent increase for inflation allowed by Proposition 13, to $44,163.

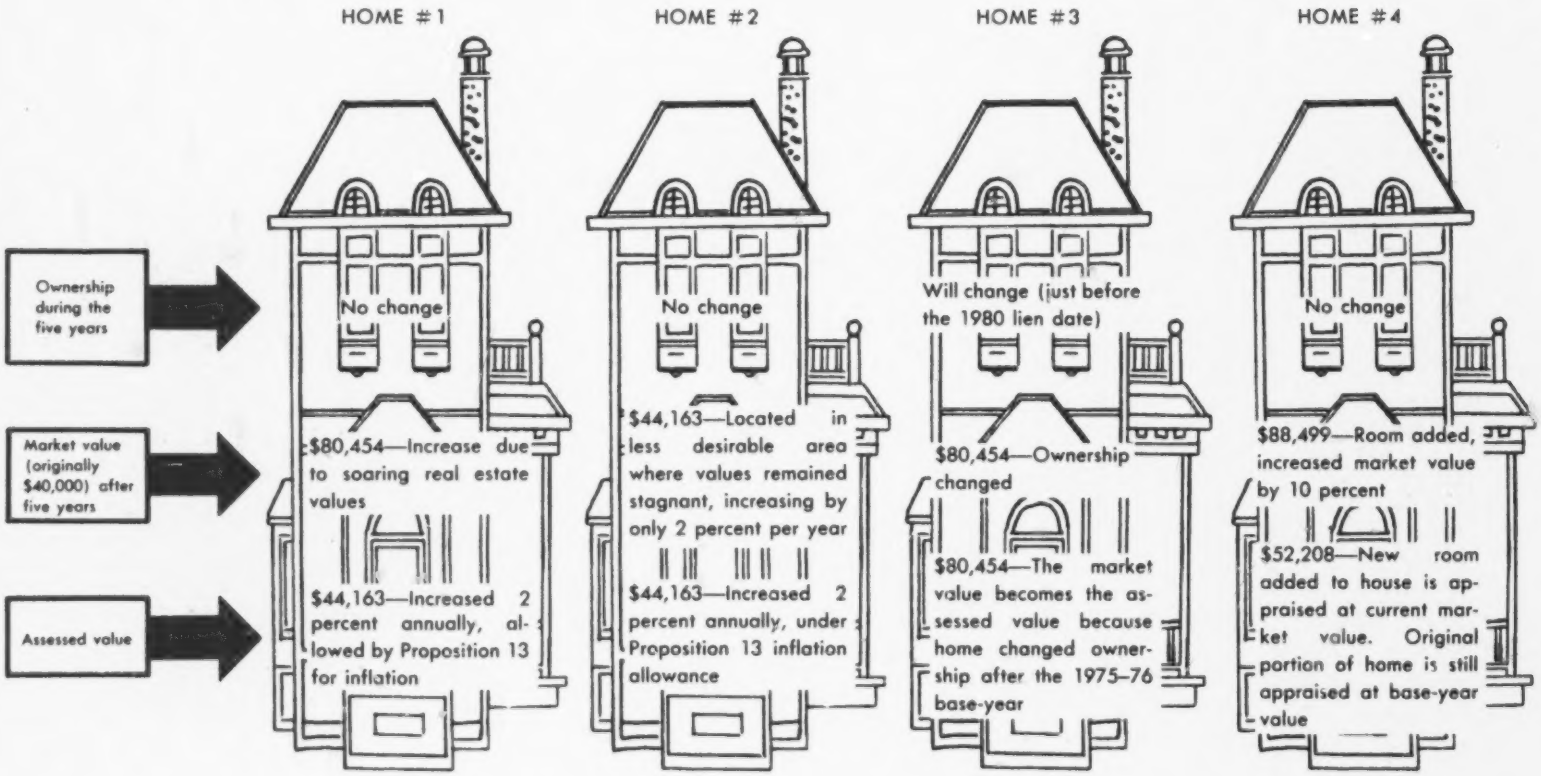
Number two has remained under the same ownership, but has not increased much in market value because it is located in a less desirable area, where values have remained relatively stagnant. Its market value has increased only by approximately 2 percent a year, the same as the allowable annual inflation factor for assessed value. Thus, homes numbers one and two are shown on the assessment roll at the same value, but home number one is worth about $36,000 more on the market for sales purposes.

Number three will change ownership just prior to the March 1, 1980 lien date. It will have a market value of $80,454, but because the new owner did not own the home in the 1975–76 base year, the sales price which is the market value of this home will also become the appraised value for 1980–81.

Number four has not changed ownership, but an additional room was built on to it in the 1979–80 tax year. This will add 10 percent to its market value on the 1980–81 assessment roll. For this home the market value will increase by $8,045 from $80,454 to $88,499, but the appraised value will increase from the 1979–80 Proposition 13 value of $43,297 to $52,208, an increase of 18 percent from what it would have been without the addition. The original portion of the home is still appraised at its base-year value, but the addition is appraised at its current market value.

# ANALYSIS OF FOUR HOMES UNDER PROPOSITION 13

Projected here are typical cases of four similar homes, all of which were valued at $40,000 in the 1975–76 tax year, established by Proposition 13 as the base-year for values, and how they will be valued for local property tax assessment five years after the adoption of Proposition 13. All four homes are located in the same county and were comparable in construction, identical in value in 1975–76.


HOME #1
HOME #2
HOME #3
HOME #4
Ownership during the five years
Market value (originally $40,000) after five years
Assessed value
No change
$80,454—Increase due to soaring real estate values
$44,163—Increased 2 percent annually, allowed by Proposition 13 for inflation
No change
$44,163—Located in less desirable area where values remained stagnant, increasing by only 2 percent per year
$44,163—Increased 2 percent annually, under Proposition 13 inflation allowance
Will change (just before the 1980 lien date)
$80,454—Ownership changed
$80,454—The market value becomes the assessed value because home changed ownership after the 1975–76 base-year
No change
$88,499—Room added, increased market value by 10 percent
$52,208—New room added to house is appraised at current market value. Original portion of home is still appraised at base-year value

Original Concept: Board of Equalization
Design: Donald Carey, Assessor, Siskiyou County, and the Appraisal Review Journal.

As a mobile California population continues to buy and sell property, values of homes that change owners will be assessed at much higher levels. Statistics indicate that approximately 15 percent of the homes in California have changed ownership annually, so that the average house has been sold once every seven years. Most homeowners move much less frequently; therefore, the homes that are sold tend to be sold more frequently than once in seven years. For tax purposes, of course, each sale yields a higher tax value in an inflationary market.

Homeowners who build on to their property to expand their space will have an assessment with a split personality—mostly the base-year value, but partly a higher level for the new addition. Homeowners who want to retain their lowest assessment will not move, and while their assessments will remain fairly static, the market values of their homes will continue to soar with inflation. For homeowners who live in a blighted or stagnant area, both the market and assessed values will remain reasonably steady or may even decrease.

### *Energy Problems Aggravated*

Petroleum—the supply of crude oil, the availability and price of gasoline, diesel fuel and fuel oil—should have been a major concern of Americans since the Arab oil embargo of 1973–74. However, as soon as the waiting lines at gas stations disappeared in 1974 and motorists became accustomed to prices that had escalated 50 percent within a few months, the availability of fuel was taken for granted. The national 55-mile-per-hour speed limit was gradually breached. Auto dealers emerged from the slump that coincided with the oil embargo and their sales of large vehicles providing no fuel economy forged ahead. Sales of pickup trucks and vans made unprecedented gains. For a few years the supply of fuel seemed inexhaustible. Motorists soon became complacent although they heard isolated warnings about the dwindling world supplies of crude oil, the limited capacity of refineries, and the urgent need for conservation and long-term planning.

Then suddenly, the critical nature of the fuel situation was impressed upon motorists, especially in California, by long lines at gasoline stations in the spring of 1979. Odd-even day sales were soon adopted in some counties. Many stations sold gasoline only a few hours each day. Many retailers closed on weekends, and often they limited the number of gallons that could be pumped for a single sale.

History seems to be repeating itself in the petropolitics and administrative confusion of recent months. And motorists have helplessly watched the price of gasoline move past $1.00 a gallon during the summer of 1979.

The seeds of the present fuel situation may to a large extent be traced to the decision made last fall by the Organization of Petroleum Exporting Countries (OPEC) to increase the price of crude oil by about 14.5 percent during 1979. The increase was to take place in small increments during the course of the year. Starting last October, however, revolutionary activity in Iran began to interrupt the production of crude oil. Iranian production was completely shut down late in December when the Shah was deposed and the Ayatollah Khomeini was brought out of exile in France to head the new government. Iran had normally produced 6 million barrels (42 gallons to the barrel) of crude oil a day and the United States imported about half of it. The new government soon came to recognize the vital need both for employment offered by the oil industry and for the revenues oil produced to keep the country's finances solvent. In March, Iranian production was partially resumed at about one-half of the prerevolutionary level and in June it had risen to about 4.5 million barrels a day. In the wake of the Iranian upheaval, petroleum prices on the world spot market soared to as much as $40 a barrel. In late March OPEC validated the surge in the spot price of oil by hiking the official price to $14.55 a barrel, effective April 1, the level previously scheduled for October 1.

OPEC's ministers raised the price of oil again in June. In an action denounced as economic brinkmanship they pushed up the price of crude oil a minimum of 24 percent, from $14.55 to $18.00 per 42-gallon barrel. Prior to this pronouncement, surcharges and premium prices had pegged the average price at $17 per barrel instead of the official $14.55. The average price is now expected to be $21 to $22 per barrel. Light high-quality crude oil has a new ceiling of $23.50 per barrel and on the spot market, was bringing about $30 a barrel in August.

### *Fuel Shortages*

The curtailment of Iranian imports alone does not account for the ensuing shortages of gasoline and diesel fuel. Investigations have brought to light a number of other factors.

In the first place, late in 1977 U.S. oil companies anticipated an OPEC price increase in January 1978 which did not materialize at that time. Nevertheless, they expanded their stocks of both crude oil and gasoline. Since they began 1978 with bulging inventories, they reduced their imports and cut back on production during the year. As the year progressed, their inventories became uncomfortably low. Mild fall weather boosted driving and raised gasoline consumption unseasonally. Then a cold winter ushered in the interruption of Iranian exports.

Secondly, despite the Iranian crisis, crude oil imports were higher in the first six months of 1979 than

in the same months of 1978. After Iran's supply was shut off, U.S. imports of crude oil from other nations —Saudi Arabia, Kuwait, Nigeria, Algeria, and Venezuela—more than made up for the loss. Furthermore, while imports were increasing, refineries were reducing their deliveries to service stations by as much as 15 percent. Since imports of crude oil and production of gasoline were both higher in 1979, the shortages are all the more difficult to understand. Where did the gasoline go?

A partial answer lies in panic buying, or "tank topping". If each of the 15 million cars and trucks in the state began to carry an average of five additional gallons, their storage would be increased by 75 million gallons or 1.8 million barrels. This extra gasoline that motorists bought to keep their tanks full was interpreted as additional consumer demand in our statistics, but actually it may only represent gasoline stored in other places. This is the equivalent of 2.5 percent of all gasoline distributions during April, May and June this year.

How did the government deal with the situation? In February 1979 the Department of Energy (DOE) revised its rules under which companies allocate gasoline supplies among dealers in order to reflect regional changes in population and fuel consumption. Refiners began to allocate to stations only a percentage (80-85-90) of the amount of fuel delivered to them in the same month of 1978.

By March the oil industry was no longer capable of producing both enough gasoline for the spring demand and sufficient heating oil for the next winter. And then, despite the scattered appearance of spot shortages, DOE advised refiners to stay out of the high-priced world spot market for crude oil to avoid giving the appearance of legitimizing the high prices demanded. Two months later, at the crest of the gasoline crunch, DOE reversed the order.

While spot shortages were becoming more widespread in April, DOE urged refiners to produce a higher proportion of heating oil to build up stocks for the coming winter. A month later when gasoline shortages became more aggravated, the agency allowed a higher percentage of gasoline to be manufactured. Shortages were also aggravated by federal rules requiring large amounts of fuel to be set aside for priority users, such as farmers and public transit systems.

### *A Complicated Problem*

The critical nature of the fuel situation has prompted a series of investigations. A review of these probes produces one major conclusion: the problem is extremely complicated. Charges and counter-charges between the petroleum industry and the U.S. Department of Energy are frequently reported by the media. It appears that the DOE has neglected to obtain from the petroleum industry all the data needed to monitor the industry since the Arab oil embargo of 1973–74. DOE has recently been criticized scathingly in a report prepared by the U. S. General Accounting Office, an investigative arm of Congress. GAO reported that the Energy Department was not prepared for the Iranian oil cutoff and acted in a fragmented manner, issued contradictory statements, and may have worsened the gasoline shortage with its complex regulations.

Gasoline consumption declined during the summer of 1979 as the price climbed past the dollar-per-gallon mark.

DOE places a very restrictive definition of confidentiality on the records it requires from the industry and this handicaps those endeavoring to research the problem. The extreme position of DOE regarding the confidentiality of its records was manifest recently when the agency refused to make its records available to the Federal Trade Commission. Only a congressional investigation could pry the "confidential" records from DOE.

California operates under a much broader definition of confidentiality. Information on transactions subject to the state's sales or use tax law is confidential by statute, but data on gasoline distributions are not considered confidential. The Board of Equalization reports monthly each refiner's or distributor's distributions of gasoline. The following comparisons are based on data filed with the Board for January through June 1978 and 1979. Refinery production in California during those six months was up 4.2 percent in 1979 over 1978, from 6.43 billion to 6.70 billion gallons of gasoline. Production in four of those months was greater than a year earlier; only March and April registered less output than in 1978. Imports, however, were down 184 million gallons in 1979 while exports were up 26 million gallons. After adjusting production for imports and exports, the

quantity of gasoline for California use in the first six months of 1979 was up only 1 percent over 1978, from 5.98 billion to 6.04 billion gallons. The distributors' ending inventory in June 1979 of 785 million gallons of gasoline was 7.9 percent higher than a year earlier.

These statistics reveal that production of gasoline increased moderately, but imports fell off sharply; nevertheless, there was more fuel in 1979 than in 1978. Inventories complicated the situation. As waiting lines mounted at service stations in May, the refiners and distributors were increasing their inventories. This procedure aggravated the supply problem for service stations and motorists.

### *Legislative Hearings*

In the midst of the gasoline crunch, committees of both the State Assembly and Senate opened hearings on the matter. These were a special Assembly Committee on Fuel Scarcity and a Senate Special Joint Meeting of the Energy and Public Utilities, Local Government, and Judiciary Committees.

Legislators heard arguments about the markup above the wholesale price that a station should be allowed. The California Service Station Council pressed for 15 cents a gallon instead of the 12.5 cents a gallon at which their markup has been frozen since the 1973–74 Arab oil embargo. Station operators who are members of the Council were threatening to close down weekends and to close for four days over the Memorial Day holiday.

Legislators also heard testimony from oil executives and experts which did little to unravel the intricacies of the enigma. However, soon after the publicity generated by these hearings, stringent pollution standards on lead content in gasoline and vapor pressure were relaxed by action of the Air Resources Board to bring them in line with national standards.

The pricing of gasoline has been rather complex since 1973. To calculate his pump price a dealer had to start with the price that he charged May 15, 1973. To that base price he could add increases for higher wholesale costs, taxes, rent and certain labor increases. He could also include charges for improvements that prevent gasoline vapors from escaping. Thus he derived the maximum selling price, the price that had to be posted on his pump. He could charge less than this maximum price and in the past most dealers did charge less. In the seller's market that prevailed in the spring and summer of 1979 he was apt to charge the maximum.

A dealer could have "banked increases" which permitted him to charge more than the calculated maximum price. Here is how the "bank" operated. In the past when gasoline was plentiful many dealers did not charge the maximum allowable price. Competition often forced them to keep prices lower. The difference between what was charged during that period and the maximum allowable could be "banked" for use at a later time. In the current market when availability was of greater concern than price the dealer was legally allowed to recover the "banked" money by charging motorists more than the computed maximum price per gallon.

DOE issued new pricing regulations effective August 1. Dealers had complained that the old pricing structure was too complex and did not allow them an adequate profit margin. In response DOE permitted dealers a flat markup of 15.4 cents per gallon to cover their expenses and profit. Some dealer associations are not satisfied with the new rules because they feel the profit margin is not sufficient. Now there is no distinction in profit between full-service and self-service stations. Furthermore, dealers are no longer allowed to recover potential profits that had been "banked" from earlier sales.

The legal maximum price per gallon and its enforcement have created much confusion. DOE began to publicize regional maximum allowable prices by type of gasoline for major oil companies after adopting the new pricing regulations, and began to monitor prices in many localities. Investigators have turned up numerous violations of the law, most of which were minor, involving only fractional price differences. Nevertheless, many were significant enough to be reported to DOE.

What impact will the higher prices of crude oil have on the nation's economy? The impact is yet to be determined. The price increase is estimated to add between one and two percentage points to the nation's rate of inflation. Unemployment will increase as jobs related to petroleum are lost. Predictions of recession have been continually revised. Before OPEC's action many analysts foresaw a light recession, something less than we experienced in 1974–75. Afterward, a deeper recession was predicted. The timing of the recession was advanced to the point where many analysts conceded that the downturn began during the second quarter.

How has the fuel situation—the price and the availability—affected the state's economy? What impact has it had on retail sales, unemployment, the tourist industry? Since the fuel shortage developed at approximately the same time as the downturn in the economy, the effects of both are combined in Board data and cannot be identified separately. As consumers have been hard hit by inflation and the gasoline shortages, they may well be upset and curb their purchases. Certainly they have cut back on purchases of gasoline and automobiles. Consumer confidence in the economy, after deteriorating for two years, has fallen close to the 30-year low set in 1974 during the last recession, according to both the University of Michigan's Institute for Social Research and the Conference Board Index.

The Department of Transportation has reported that travel on California's highways was down 10.5 percent in May 1979, compared to May 1978. This was the first decrease since June 1974 when the nation was recovering from the Arab oil embargo. June and July have both recorded decreases of more than 5 percent.

Reports from tourist and recreation areas indicate that visitor days to state and national parks have been cut by as much as one-third this season. Traffic to Lake Tahoe was down from 15 to 30 percent. Business at Stateline was down significantly according to casino operators.

### *Mixed Revenue Picture*

The Board of Equalization administers taxes which yielded $9,152,431,000 during fiscal 1978–79 as shown by the figures in the text table. (See Appendix Table 2 for additional detail and historical comparisons.) Aggregate revenues increased 7.6 percent during the fiscal year, less than half the rate of 15.5 percent recorded for the preceding fiscal year. Per capita revenue in nominal dollars totaled $407, up $22 from fiscal 1977–78. Expressed in dollars of constant value (as adjusted for an average increase of 9.1 percent in the Consumer Price Index) per capita revenue totaled only $373, a decrease of $12 from the prior fiscal year.

The state sales tax, yielding receipts of $5,810,484,000, maintained its status as the state's greatest single source of revenue with an increase of 15.6 percent. The fiscal significance of this tax source has been further enhanced by the impact of Proposition 13 which slashed property taxes by more than 50 percent. As property taxes yielded only $4.9 billion (see Appendix Table 14 for detail by county), the state sales tax, at a rate of 4¾ percent, aggregated more than any other source of either state or local revenues. The Board collected an additional $1,612,192,000 in sales taxes for other governmental agencies—cities, counties, and transit districts. Transit district taxes at the rate of one-half of 1 percent are now levied in five counties: Alameda, Contra Costa, San Francisco, Santa Clara, and Santa Cruz. In the latter the tax became effective January 1, 1979 following approval by the voters in June 1978.

Fuel taxes and fuel consumption came into prominence in the news as shortages developed in the spring and prices began an upward spiral which pushed the price of gasoline to nearly a dollar a gallon by summer. The media and agencies responsible for planning and for publicity have been seeking more information, more detail on consumption of gasoline and diesel fuel than is available. Many requests have been made for figures on consumption of gasoline by region and by county. No such detail as this is available from the Board or any other state or federal agency. Excise tax returns filed by refineries and distributors cover statewide distributions only and do not require allocation to any smaller governmental unit. The Board does, however, issue monthly press releases with summary data on gasoline distributions.

COMPARISON OF REVENUES
1977–78 and 1978–79
(in thousands of dollars)

| *Revenue Source* | *1977–78* | *1978–79* | *Percent Change* |
|---|---|---|---|
| Sales and use taxes | | | |
| State tax (4¾%) | $5,028,659 | $5,810,484 | 15.6 |
| City and county sales tax (1%) | 1,053,430 | 1,209,699 | 14.8 |
| County transportation tax (¼ of 1%) | 263,127 | 302,446 | 14.9 |
| Transit district taxes (¼ of 1%): | | | |
| San Francisco Bay Area | 56,063 | 61,938 | 10.5 |
| Santa Clara County | 31,394 | 36,506 | 16.3 |
| Santa Cruz County | – | 1,591 [1] | – |
| Other taxes and fees | 497 | 522 | 5.0 |
| Totals | $6,433,170 | $7,422,986 | 15.4 |
| Fuel taxes and fees: | | | |
| Gasoline and jet fuel | $810,712 | $837,414 | 3.3 |
| Diesel and other use fuel | 66,067 | 75,210 | 13.8 |
| Totals | $876,779 | $912,624 | 4.1 |
| Alcoholic beverages taxes | $132,060 | $140,060 | 6.1 |
| Cigarette tax | 274,102 | 268,816 | –1.9 |
| Electrical energy surcharge | 17,660 | 18,066 | 2.3 |
| Emergency telephone users' surcharge | 8,747 | 14,079 | 61.0 |
| Litter control | 187 | 536 | – |
| Local taxes on state assessed properties [2] | 725,268 | 326,167 | –55.0 |
| Timber yield tax | 27,100 | 42,518 | 56.9 |
| Timber reserve fund tax | 2,211 | 3,244 | 46.7 |
| Private car tax (railroad cars) | 8,277 | 3,325 | 59.8 |
| Grand Totals | $8,505,561 | $9,152,431 | 7.6 |

[1] Collections for only four months.
[2] Collected by county tax collectors.
Source: Board of Equalization Revenue Statements and other Board documents and correspondence to collect delinquent amounts. If a taxpayer fails to send payment as agreed, the case is referred to field personnel who may initiate summary procedures.

A great deal of interest has also been expressed in the amount of sales tax generated by gasoline, especially since the price began to climb early in the spring of 1979. Some have concluded prematurely that the state is reaping a "windfall" from the additional sales tax on the higher priced fuel. Sales of gasoline at current prices, even though consumption has been somewhat curtailed, are certainly producing far more sales tax than similar sales a few months earlier. Board statisticians contend that to cover the higher price of gasoline some sales are being diverted from other types of taxable merchandise. Consumers have a limited amount of disposable or discretionary income. If a disproportionate share is spent on fuel there is less to spend on other taxable merchandise. Thus, the aggregate taxable sales volume may be flattening out despite the impetus from the higher sales volume of gasoline.

Fuel taxes aggregated $912,624,000 during fiscal 1978–79, rising 4.1 percent from the previous year. Gasoline tax receipts of $836,473,000 at 7 cents per gallon, represented 91.7 percent of all fuel taxes. Distributions of 11.9 billion gallons of gasoline (283.7 million barrels at 42 gallons per barrel) were 3.0 percent higher than in 1977–78. While consumption of gasoline moderated during the year, the use of diesel fuel expanded rapidly. The state's excise tax of 7 cents per gallon on diesel fuel topped $73.5 million, up 11.9 percent from the prior year. Distributions of 1.1 billion gallons increased accordingly. Consumption of jet fuel taxed at 2 cents per gallon rose faster than any other type of fuel. The $941,000 collected on jet fuel was up 36 percent for the fiscal year.

### *Excise Taxes*

Excise taxes on cigarettes and alcoholic beverages are levied on a unit basis. Cigarettes taxed at 10 cents per pack produced $268.8 million in 1978–79, down 1.9 percent from $274.1 million in the preceding year. (See Appendix Tables 30A and 30B for additional data.) This is the first year to record an actual decrease in this type of revenue although increases for each of the prior two years were small. Distributions of tax-paid cigarettes were 1.5 percent less than in 1977–78. Per capita consumption dropped from 132.4 to 128.1 packs, a decrease of 3¼ percent.

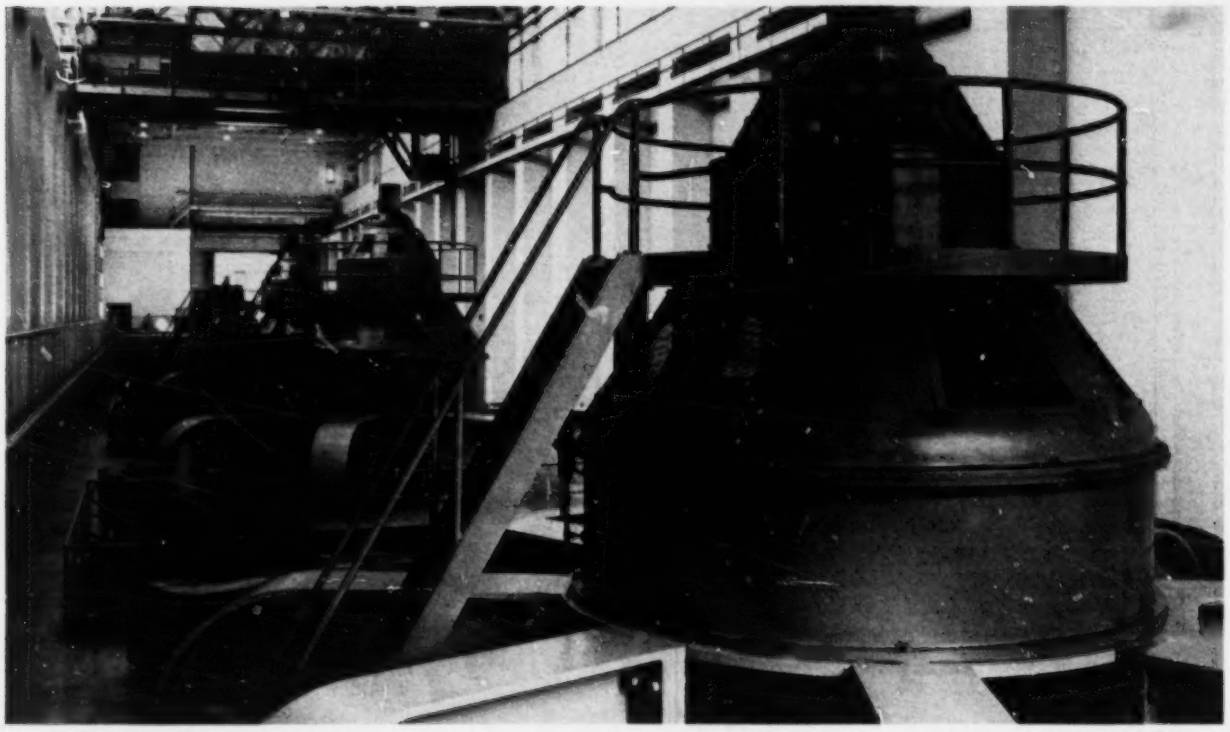
Alcoholic beverage taxes yielded $140.1 million by increasing 6.1 percent. Beer and wine tax collections of $25,137,000 were up 9.4 percent while distilled spirits accounted for $114,923,000, an increase of 5.4 percent. Following the elimination of fair trade laws which had controlled the prices of alcoholic beverages it was anticipated that California distributions of distilled spirits would jump to a higher level. The impact now appears to have been minor, especially since growth in the consumption of beer and wine outpaced that of distilled spirits. The increasing popularity of beer and wine over distilled spirits is attributable to a number of factors. People appear to be drinking more moderately. Demographics enter the picture as the average age is rising and the number of young adults is increasing. The prevalent smoking of marijuana is another factor which may have an adverse effect on the consumption of alcoholic beverages.

Fair trade laws on distilled spirits and beer had been eliminated by an appellate court decision May 30, 1978. Similar laws regulating the sale of wine in California were struck down by the Court of Appeal on January 2, 1979. Fair trade laws had required California retailers to purchase distilled spirits from California distributors. When these laws were nullified some retailers began to purchase from distributors in other states. California distributors soon claimed that their business was being hurt by out-of-state competition. Recently legislation was enacted making it mandatory that California retailers of distilled spirits purchase from distributors within the state. The legislation requires California distributors to sell to retailers for the lowest price at which specific brands are being sold by wholesalers in other states.

The electrical energy surcharge is a tax imposed upon the use of electricity in California. It generated $18,066,000, an increase of merely 2.3 percent from 1977–78. The rate set by the Board of Equalization has been constant at $0.0001 (one-tenth of a mill) per kilowatt hour (KWH) since September 1, 1978. Electrical consumption totaled 149.9 billion KWH, an increase of 4.9 percent over 1977–78. Since the inception of this program January 1, 1975, electrical usage has increased approximately 4 percent a year. With all the publicity given to the need to conserve energy, growth is predicted to diminish in the current fiscal year.

In our last report we described three new sources of revenue: the timber yield tax, the emergency telephone users' surcharge, and the state litter control assessment. The latter generated so many complaints that the Legislature postponed its effective date from February 28 to September 30, 1979, and later to November 30, 1979. Subsequently the Litter Control Tax and the Business Inventory Tax have been eliminated by Assembly Bill 66, an emergency measure which the Governor signed at the end of September, 1979.

Many taxpayers complained that their litter assessments were larger than their sales tax liability. Indeed, many who had no sales tax liability at all discovered that they were responsible for litter tax payments. The adverse publicity to a program which seemed manifestly inequitable raised such a storm of protests that the Legislature postponed the day of reckoning for all taxpayers and completely exempted all retailers who sell entirely at retail.



The electricity generated by power plants such as this one at Shasta Dam is subject to an electrical energy surcharge, paid by consumers at a rate of $.0001 per kilowatt hour.

### *Litter Tax Repealed*

During fiscal 1978–79 litter tax collections were $556,000. This amount was paid either by concerns which went out of business during the fiscal year or by taxpayers who submitted cash payments prior to the Legislature's postponement of the due date. Payments made by viable businesses in cash or cash equivalent (cashiers' checks or money orders) have not been refunded. Now that the tax has been repealed and the Legislature has appropriated the necessary money, refunds will be made to all taxpayers.

The emergency telephone users surcharge produced $14,079,000 for the first full year of receipts from this source. (Collections during the previous year covered only eight months.) This levy on telephone bills is at the rate of one-half of 1 percent. Because the Budget Act for 1979–80 authorizes expenditures of only $1,262,056 for this program, and since more than this amount will be collected by October, the Board reduced the rate of this tax to zero effective November 1, 1979. Shortly after the Board's action the Legislature passed SB 1180 as an emergency measure to maintain the tax at the rate of one-half of 1 percent until November 1, 1982.

The timber yield tax, for which we have the first full year of receipts, aggregated $45,762,000. This tax has replaced the former ad valorem levy on standing timber administered by county assessors. The revenue now collected by the state is reserved in its entirety for allocation to counties; thus it does not augment the state's revenue.

### *Taxable Sales Continued Strong*

Transactions subject to California sales and use tax law totaled $121.9 billion during fiscal 1978–79. The annual increase was 15.3 percent or $16.2 billion in current value dollars. Retail price levels heated up during the year and the California Consumer Price Index (CPI) advanced an average of 9.1 percent. In June 1979, however, it was 9.8 percent higher than June 1978. Retail sales growth in terms of dollars of constant value was only 5.7 percent. Comparable growth was 7.6 percent in 1977–78 and a strong 9.6 percent in 1976–77.

Quarterly taxable sales are summarized and compared in the following table. The final quarter registered the highest sales volume of the fiscal year with 26.5 percent of the total. The final quarter has tallied the highest sales volume for the four most recent fiscal years. After adjustments for inflation, however, the final quarter of calendar 1978, buoyed by holiday sales, ranked first in sales volume, and the spring quarter of 1979 fell into second place.

TAXABLE SALES COMPARISONS BY QUARTER, 1978–79

| 1978–79 | Taxable Transactions | | Percent Change from Prior Fiscal Year | | |
|---|---|---|---|---|---|
| | Amount | Percent of Total | Actual Dollars | Constant Dollars | In Consumers' Price Index |
| July–September | $28,974,983,000 | 23.8 | 13.8 | 4.0 | 9.4 |
| October–December | 31,308,045,000 | 25.7 | 15.4 | 6.4 | 8.5 |
| January–March | 29,232,532,000 | 24.0 | 18.2 | 9.0 | 8.5 |
| April–June | 32,386,653,000 | 26.5 | 13.8 | 3.6 | 9.8 |
| Fiscal Year | $121,902,213,000 | 100.0 | 15.3 | 5.7 | 9.1 |

In the text table the growth shown for the California CPI has been estimated by the Board's statisticians. It is their estimate of the quarterly average and thus it will not relate precisely to the bi-monthly indexes prepared by the Department of Industrial Relations, though it is based on them. The rate of change shown in constant dollars in the table has been computed after expressing taxable transactions for each period in terms of January 1970 dollars.

In the fall of 1978 growth in the California CPI was cut back nearly one percentage point by the inclusion in the index of property tax reductions related to home ownership costs resulting from Proposition 13. Subsequently, drastic increases in the prices of gasoline and other petroleum products have knocked out this temporary advantage, and consumer prices have been rising in the state at virtually the same rate as in the nation.

Inflationary pressures intensified during the initial quarter of 1979 to double-digit proportions. As the fiscal year closed, consumer prices for the nation were 11 percent higher than a year earlier and advancing at an annual rate of 13 percent. Prices of food and fuel were the major factors in the escalation of the CPI.

Retail stores posted taxable sales of $81,249,328,000, marking a gain of $9,785,623,000 or 13.7 percent for the year. (See Appendix Table 19 for detail by type of business.) Sales growth for the retail store category was one percentage point less than in 1977–78 and was also a bit weaker than that for the other business categories. For business and personal service establishments taxable transactions (based primarily on materials and parts used in service and repairs since repair-labor is tax exempt) totaled $4,399,948,000, up 15.3 percent. "All other outlets" comprised primarily of manufacturers, wholesalers, construction contractors, itinerant vendors, and part-time permittees regardless of type of business, increased their taxable transactions of $5.8 billion, 19.1 percent, to total $36,252,937,000.

Taxable transactions of retail outlets featuring durables advanced more rapidly than those handling nondurables for the fourth successive fiscal year. Growth rates were 14.9 percent and 12.7 percent, respectively. The growth of durables had exceeded that of nondurables for 14 consecutive quarters through the first quarter of 1979. Then the trend was reversed in the spring of 1979 as the price of gasoline (nondurable) spiralled and the sales of new cars and trucks (durables) fell off sharply. Nondurables expanded more rapidly than durables with relative gains of 14.2 and 8.2 percent, respectively.

The significance of this relationship has been altered over the years as merchandising patterns have been shifting. As broader lines of merchandise are being sold by major retail chains the mixture between their sales of durables and nondurables is continually changing. These refinements cannot be considered in our split between durables and nondurables because each class of business is treated as a discrete entity and classified in one category or the other. Department stores are classified with nondurables although a substantial proportion of their sales are durables. More than half the sales volume of some large department stores is reported to be durables. The 1972 Census of Retail Trade for California attributed approximately 40 percent of all department store sales to durable goods. The system we use is essentially the same as that of the U.S. Department of Commerce.

New car dealers were the main support of durables as they tallied $12,037,695,000 in taxable sales, $1.2

As the price of gasoline spiraled upward, the sales of new cars and trucks declined.

The demand for recreational vehicles slackened as the availability of gasoline became uncertain and the price skyrocketed.

billion or 11.3 percent ahead of 1977–78. Taxable sales of new car dealers also include receipts from their sales of used vehicles, leasing vehicles, and parts used in repairs as well as new vehicles, but charges for labor are excluded. Registrations of 1,165,495 new cars decreased 1.1 percent while new trucks totaling 291,325 were up 3.0 percent. The combined total of 1,456,820 was 0.3 percent lower than the number in the preceding fiscal year. The total number of autos and trucks registered in the state as of June 30 was 14,782,752. The overall increase for the year was 578,482 vehicles or 4.1 percent.

Sales of all types of new vehicles can be quite volatile, whether cars, trucks, mobilehomes, trailers, campers, boats, motorcycles, or airplanes. For the second time within the decade of the 1970s we have observed the plummeting of sales of new vehicles not so much from poor economic conditions as from distortions of our economy. Fuel shortages in 1973–74 shrank the demand for new vehicles, especially for larger vehicles, less fuel-efficient, and as gasoline shortages developed in the spring of 1979 cutbacks in sales of new vehicles quickly followed. During the spring quarter, new registrations were 9.4 percent lower than in 1978 and taxable sales of new car dealers were down 4.1 percent. Registrations of new autos and trucks fell off sharply during the quarter. Compared to a year earlier, April was up 5.5 percent, May dropped by 6.4 percent, and June fell off 24.0 percent.

REGISTRATIONS OF NEW MOTOR VEHICLES COMPARED TO TAXABLE SALES OF NEW CAR DEALERS

| | *Registrations* | | | | | | *Taxable Sales of New Car Dealers* | |
|---|---|---|---|---|---|---|---|---|
| | *Automobiles* | | *Trucks* | | *Total* | | | |
| *1978–79 Fiscal Year* | *Number* | *Percent Change Year to Year* | *Number* | *Percent Change Year to Year* | *Number* | *Percent Change Year to Year* | *Amount* | *Percent Change Year to Year* |
| July–September | 273,665 | −2.9 | 73,358 | −0.3 | 347,023 | −2.4 | $2,993,886,000 | 15.2 |
| October–December | 285,368 | 5.1 | 69,492 | 10.5 | 354,860 | 6.1 | 2,901,903,000 | 20.5 |
| January–March | 303,315 | 5.7 | 71,823 | 9.0 | 375,138 | 6.3 | 3,150,595,000 | 17.2 |
| April–June | 303,147 | −10.5 | 76,652 | −4.9 | 379,799 | −9.4 | 2,991,311,000 | −4.1 |
| Fiscal Year | 1,165,495 | −1.1 | 291,325 | 3.0 | 1,456,820 | −0.3 | $12,037,695,000 | 11.3 |

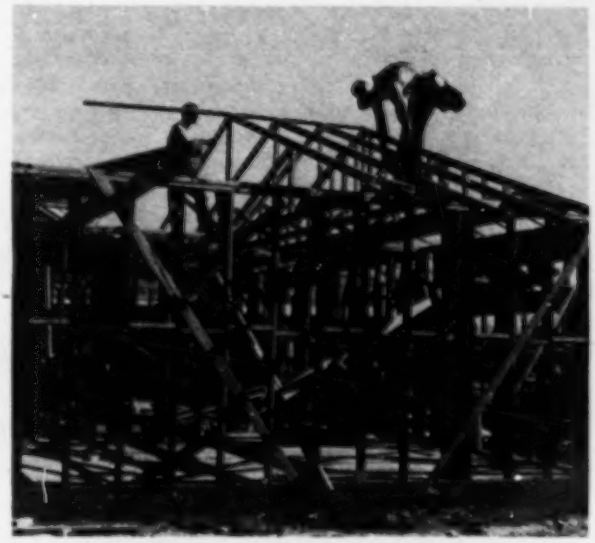
Boat, motorcycle, and airplane dealers posted a gain of 23.2 percent. For the second consecutive year they made the largest advance within the automotive group. Registrations of new motorcycles totaling 98,384 were up 6.0 percent from 1977–78.

Motorcycle activity demonstrates most dramatically the impact of the gasoline situation on sales of vehicles. Registrations of new cycles were down substantially in each of the first three quarters, 15.8, 33.8, and 17.2 percent, respectively. Then, in the spring as gasoline became scarce and the price soared, an increase of 63.6 percent was posted as 49,141 new vehicles were registered. The number was virtually the same as the total for the three previous quarters.

Mobilehome, camper, and trailer dealers were the only class of retail business (shown in Table 19) that recorded a sales decline, 3.3 percent. Trailer dealers sold about 24,000 new units, a decrease of nearly one-third. Last year we noted that the market for travel trailers was being undermined by vans and motor homes. As the 1978–79 fiscal year wore on, however, even the demand for motor homes slackened as the availability of gasoline became uncertain, and the price skyrocketed.

The number of motor homes manufactured for sale in California plus imports totaled 46,958, a decrease of 26.5 percent from 1977–78. The number of mobilehomes manufactured for sale in California dropped to 22,751, declining 26.3 percent. In view of the declining market for mobilehome housing the Legislature has enacted AB 887 and SB 1004 which eliminate payment of registration fees and in-lieu taxes on such homes and subject them to ad valorem property taxes effective January 1, 1980.

In view of the declining market for mobilehome housing, the Legislature enacted two bills in 1979 which will exempt mobilehomes from registration fees and sales taxes and place them instead on the property tax rolls.



Although the number of permits for residential construction declined from the previous year, the sales of building material dealers were up 19.5 percent from a year earlier.

The building material group for the fourth successive fiscal year posted a larger increase than any other type of business. Their taxable transactions of $5,778,874,000 were 19.5 percent higher than in 1977–78. This volume, furthermore, was 123 percent more than their total just four years earlier in 1974–75 when construction activity was depressed. During the recent fiscal year 206,600 permits were issued for private residential housing units. This is 23 percent less than the 268,400 for 1977–78, but it is fairly close to the demand for such housing. The value of nonresidential building authorizations was $5.5 billion, 8.8 percent less than the preceding year. The numbers for both residential and nonresidential construction had been inflated for the previous fiscal year by an upsurge in June 1978 when builders obtained as many permits as possible, to avoid new energy conservation standards which went into effect July 1, 1978. This "borrowing" against the fiscal year under study understated its level of construction activity.

Among nondurables, service stations turned in a most surprising performance with an increase of nearly $1.3 billion, 14.5 percent, which pushed their sales volume over the $10 billion mark, second only to new car dealers. The quarterly distributions of gasoline and the estimated costs to motorists are summarized for the year in the following table. The volume of gasoline pumped was up strongly in the first three quarters of the fiscal year. Then, even though the gallonage in the final quarter was less than for any other quarter, the estimated expenditure for gasoline was far above that for any previous quarter. Indeed, the expenditure in that one quarter was approaching the total expenditure on gasoline for a full year a decade earlier.

## GASOLINE DISTRIBUTIONS

| | Volume in Gallons | | Estimated Price Per Gal. | % Change Yr/Yr. | Estimated Expenditure | |
|---|---|---|---|---|---|---|
| | Amount | % Change Yr/Yr. | | | Amount | % Change Yr/Yr. |
| July–September | 3,070,282,000 | 4.7 | 64.9¢ | 7.1 | $1,992,613,000 | 12.1 |
| October–December | 3,023,552,000 | 5.9 | 66.0¢ | 10.9 | 1,995,789,000 | 17.5 |
| January–March | 2,911,849,000 | 5.1 | 69.0¢ | 13.7 | 2,009,176,000 | 19.5 |
| April–June | 2,910,775,000 | −3.4 | 83.0¢ | 32.8 | 2,415,943,000 | 28.3 |
| Fiscal Year | 11,916,458,000 | 0.7 | 70.6¢ | 16.0 | $8,413,521,000 | 19.5 |

After rising by only about 2 cents a gallon in the previous fiscal year, prices began to soar at the beginning of fiscal 1978–79 and gained momentum each quarter as the year progressed. During the summer, the price reached about $1.00 a gallon. The average price per gallon of gasoline is based on a scientific sample of all sales tax accounts the Board has coded as service stations. The average price excludes state and local sales taxes. The fuel situation is described in detail in another section of this chapter.

The number of outlets coded as service stations dropped from 16,492 to 15,774 during fiscal 1978–79, a decrease of 718. Smaller stations, regular independent stations, and independent discount stations have been shutting down as their supplies have dwindled or their prices have been pushed so high they no longer offer motorists a price advantage. A refinery operating retail gasoline stations is treated in our statistics as a unified operation and all its units are coded as service stations.

Department and dry goods stores as a class of business ranked third in taxable sales volume with $9,370,630,000. Reclassification of a number of outlets requires combining data for "other general merchandise" stores with those of department stores to make valid comparisons. Such sales aggregating $10,231,650,000 were 8.3 percent higher than in 1977–78.

Some retailers evidently peaked in 1977–78 and experienced decreasing sales volumes in 1978–79. One of the nation's largest retailers sustained sales decreases throughout the fiscal year according to financial and industrial reports in the press. The poor sales performance of this class of business, however, had to be more widespread to reduce the aggregate sales increase to less than the advance in the Consumer Price Index.

As a result of gasoline shortages in the spring of 1979, travel on California's highways showed the first decline in five years.

# VI. BUSINESS TAXES

The State Board of Equalization administers the following business taxes programs:


Sales and Use Tax (p. 52)
Local Sales and Use Taxes (p. 53)
Transit District Transactions (Sales) and Use Taxes (p. 54)
Litter Control, Recycling, and Resource Recovery Assessment (p. 54)
Use Fuel Tax (p. 55)
Motor Vehicle Fuel (Gasoline) Tax (p. 56)
Aircraft Jet Fuel Tax (p. 57)
Alcoholic Beverage Tax (p. 58)
Emergency Telephone Users Surcharge (p. 58)
Insurance Tax (p. 59)
Energy Resources Surcharge (p. 60)
Cigarette Tax (p. 60)


The Board strives for economical and efficient administration of all tax programs, accurate self-assessment by each taxpayer, equitable treatment within the law for all taxpayers, courtesy and consideration in contacts with taxpayers, and the collection of all amounts determined to be due and economically recoverable. The Board provides service to taxpayers through 70 California field offices located for taxpayer convenience statewide, and offices in New York, Chicago, and Houston to serve taxpayers who do business in California but have their headquarters or records in other states.

The Board solicits voluntary cooperation from taxpayers in filing required tax returns accurately through a self-assessment system. The Board provides informational publications, renders direct assistance during compliance and field auditing contacts, and emphasizes the state's interest in collecting the amount actually due—no more, no less. A total of 2,867,803 self-assessed tax returns and reports were filed by taxpayers and were reviewed and verified by the Board during the year.

Revenues collected from the Board's Business Taxes programs totaled $8,822,939,000 at a cost of $57,305,000. The Board's cost averaged 65 cents for each $100 collected from these tax programs.

Following is an overview of the business taxes programs administered by the Board. The text is intended to indicate only the general nature of the law; specific cases should be referred to the Board for an explanation of the applicable laws and regulations.

### *Sales and Use Tax Law*

The sales tax is imposed on retailers for the privilege of selling tangible personal property at retail. The term "retail sale" is defined in the law as a sale of tangible personal property for any purpose other than resale in the ordinary course of business. The state use tax is imposed upon the storage, use, or other consumption in this state of tangible personal property, the sale of which is not subject to the state sales tax. Generally, unless a California office of the retailer participates in the transaction, the use tax rather than the sales tax applies where the property purchased is shipped from an out-of-state point to a California consumer.

Program Technician Bonnye Taylor (left) completes a taxpayer's application for a seller's permit in the Inglewood District Office.

The sales tax is measured by the gross receipts from retail sales. The use tax is measured by the purchase price of the property. The rate is the same for both taxes. The state tax rate is 4.75 percent; the state-administered city and county tax rate is 1.25 percent. The total rate is 6 percent except in three transit districts where an additional state-administered tax of one-half of 1 percent is in effect. Transit districts are operating in the following counties: San Francisco, Alameda, and Contra Costa comprise the Bay Area Rapid Transit District (BART); Santa Clara County Transit District (SCCT); and the Santa Cruz Metropolitan Transit District (SCMT).

In the Oakland District Office, Program Technician Margie Heath (right) completes a seller's permit application for a new taxpayer.

Although sales taxes are levied on most retail sales and leases of tangible personal property, there are a number of exemptions. Principal exemptions cover sales of food for human consumption; prescription drugs; and gas, electricity and water delivered through mains, lines, or pipes.

Everyone in the business of selling tangible personal property, the retail sale of which is subject to the sales tax, must apply to the Board for a seller's permit. Wholesalers as well as retailers are included. There is no fee for the permit. However, the applicant may be required to furnish security to assure payment of the tax in one of the following forms: (1) cash, (2) time certificates of deposit, (3) government bearer bonds, (4) surety bonds, (5) savings and loan insured certificates, and (6) personal guarantees. A separate seller's permit is required for each place of business; it must be conspicuously displayed at the place for which it is issued. A permit need not be renewed and is valid unless suspended or revoked by the Board.

Most permit holders are required to file quarterly tax returns, but the Board allows many taxpayers to file monthly or annually rather than quarterly. Tax return forms are prescribed and printed by the Board and must be filed with remittance of the amount due, on or before the last day of the month following each reporting period. In 1978–79, state sales and use tax collections totaled $5,810,484,000.

Program Technician Anne Guerin (left) assists a taxpayer in filling out her quarterly tax return in the San Mateo District Office.

### *City and County Sales and Use Taxes*

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes California counties to impose a 1.25 percent sales tax and use tax, and cities to impose a 1 percent tax. However, credit for any city sales and use tax is applied against county tax due, so that the combined rate does not exceed 1.25 percent.

All California counties and cities have adopted an ordinance under the terms of this law. Each county and city is required to contract with the State Board of Equalization to administer the ordinance imposing the tax. During the 1978–79 fiscal year local sales and use tax ordinances administered by the Board produced $1,512,145,000 million in local tax revenues.

The Board's Local Tax Unit computes the amount of local sales and use tax to be distributed to cities, counties and rapid transit districts. Auditor Harry Kanemasu verifies a local tax allocation reported on a tax return.

To distribute funds as soon as possible, the Board sends advance payments each month based on estimates computed by Board staff on the basis of past receipts, and a cleanup payment is made following the tabulation of quarterly returns so that each city and county receives the exact amount of allocated funds to which it is entitled.

Sales are considered to occur at the place of business of the retailer unless the property is delivered by the retailer, his agent, or by common carrier to an out-of-state destination. This determination assures the proper distribution of funds by the Board, since revenue is allocated to the local city and county according to the place of sale or use.

Office Assistant Debra Pedroza verifies allocation codes on sales and use tax returns. The codes are used to distribute local sales and use taxes to the proper cities and counties.

### *Local Transit District Sales and Use Taxes (Transaction and Use Taxes)*

The San Francisco Bay Area Rapid Transit District, the Santa Clara County Transit District, and the Santa Cruz Metropolitan Transit District currently impose transactions and use taxes. The rate of the tax is fixed at one-half of 1 percent of the sales price of tangible personal property sold at retail in the district.

The measure of the tax, tax base, provisions of the law, and procedures used are generally the same as the city and county sales and use taxes with certain exceptions. The obligation to collect a transit district use tax is limited to retailers engaged in business in the transit district. The sale of property delivered outside the district for use outside the district is exempt from the district transit tax. Property sold, leased, or purchased for a fixed price and obligated under contract entered into prior to the operative date of the ordinance is exempt from transit district sales and use tax.

The Board administers the ordinances imposing transit district taxes and transmits the amounts collected to the districts. In 1978–79, the Bay Area Rapid Transit District received $54,740,000, the Santa Clara County Transit District received $35,326,000, and the Santa Cruz Metropolitan Transit District received $1,037,000. (The Santa Cruz Metropolitan Transit District became operative January 1, 1979. Receipts shown for SCMT are for four months.)

### *Litter Control, Recycling, and Resource Recovery Assessment*

In 1977, the Legislature enacted the Litter Control, Recycling, and Resource Recovery Act. Effective January 1, 1978, this law provided for a comprehensive litter control and waste removal program and for the development of projects for the recovery of energy and resources from solid waste. To provide funding for this program, an annual assessment was imposed on certain manufacturers and wholesalers making sales of tangible personal property in this state who employ an average of three or more employees annually. Initially, the assessment applied to each person holding a seller's permit under the Sales and Use Tax Law and every manufacturer and wholesaler making sales of tangible personal property in this state. Subsequently, some provisions of the Litter Tax Law were changed.

Collection of this assessment was the responsibility of the Board. An account was established for each taxpayer, maintained on a current basis, and closed out for any business that terminated. The Board administered this tax program in conjunction with sales and use tax accounts, because almost all taxpayers were subject to both programs.

More than 275,000 premature litter assessment payments flooded the Board's Cashier Unit following the Legislature's last minute postponement of the assessment's due date. All undeposited checks were promptly returned and in September the Legislature eliminated the litter assessment.

The law had provided that annual assessments for each calendar year would become due in February of the following year. As the first deadline approached in February 1978, the Board notified taxpayers through its quarterly Tax Information Bulletin, which is mailed out with the sales tax return forms, and through news releases distributed to the news media. Nevertheless, when taxpayers received their litter assessment forms in the mail, there was widespread protest.

A major criticism cited Proposition 13, enacted in June 1978, which prohibited the imposition of any new tax unless it was approved by a two-thirds vote of the Legislature. Many taxpayers seemed unaware that the litter assessment had been enacted in 1977.

Because of the compliance burden on the taxpayer and the relatively small amount of revenue produced by the assessment, the Board of Equalization had urged the Legislature not to enact the litter assessment law, and suggested instead that a litter control, recycling and resource recovery program be funded through other sources.

The enormous volume of taxpayer complaints called for repeal of the law. Instead the Legislature amended the law on February 27, 1979, with its enactment of Senate Bill 373, which made the following changes:

(1) California retailers selling wholly at retail were exempted from the state assessment; (2) manufacturers and wholesalers who employ fewer than three persons annually were exempted; and (3) the assessment became due and payable at a later date, as the deadline was extended from February 28 to September 30, 1979.

Because this legislation was enacted just one day before the former deadline of February 28, 1979, there was no time to notify the taxpayers to refrain from filing litter assessment returns and to withhold payment. Consequently the Board received more than 275,000 litter tax returns and payments which were filed prematurely.

The Board promptly returned checks not deposited, but could not make refunds of payments already deposited because the Legislature had not appropriated the necessary funds.

The Board again recommended that this law be repealed and funding for the program be obtained from other sources. Instead, Senate Bill 478, signed into law July 27, 1979, changed the due date for 1978 litter tax assessments once again, this time to November 30, 1979.

On September 28, 1979, Assembly Bill 66 was signed into law, amending the Litter Control, Recycling, and Resources Recovery Act, eliminating the assessment and allocating funding from the state's general fund.

## EXCISE TAXES

The Board administers excise taxes on Use Fuel, Motor Fuel, Aircraft Jet Fuel, Alcoholic Beverages, and Insurance, in addition to the Emergency Telephone Users and Energy Resources Surcharges.

The Board's Excise Tax Unit registers accounts, establishes and controls the required financial security if applicable, reviews the tax returns, and conducts desk audits of excise tax accounts. Following is a summary of these tax programs.

### *Use Fuel Tax*

A use fuel tax is imposed upon the use of fuel in motor vehicles. The tax does not apply to fuel used other than for the generation of power to propel a motor vehicle in this state, nor to fuel used for certain other purposes, such as in motor vehicles operated off the highway and in farm and construction vehicles exempt from vehicle registration. Certain local bus operators are exempt from all but 1 cent per gallon tax for fuel used in some local transit operations.

"Fuel" includes any combustible gas or liquid used in an internal combustion engine for the generation of power, except fuel subject to tax under the Motor Vehicle Fuel License Tax Law (primarily gasoline).

Office Assistant II Charles Fong checks a Use Fuel account for delinquency.

It includes diesel fuel, liquefied petroleum gas, and natural gas. "Use," in addition to the consumption of fuel to propel a motor vehicle, includes placing the fuel into the fuel tank or any receptacle on a motor vehicle from which fuel is supplied for the propulsion of the vehicle, but does not include placing the fuel into storage tanks.

The rate of tax is 7 cents per gallon of diesel and similar fuels; 6 cents per gallon of liquefied petroleum gas and liquid natural gas; and 7 cents per 100 cubic feet of compressed natural gas, measured at standard pressure and temperature. The owner or operator of a vehicle propelled by a system using liquefied petroleum gas, liquid natural gas, or compressed natural gas may pay an annual flat rate fuel tax based on the type or weight of the vehicle instead of the gallon rate. Use fuel taxes and fees for 1978–79 totaled $75,210,000.

The Use Fuel Tax Law defines a "vendor" as any person who sells fuel in this state and places or causes the fuel to be placed into the fuel tank of a motor vehicle. Every person who is a "user," except some users of alternative fuels, or those who wish to become "vendors," must obtain a permit from the Board and deposit the required security. The permit is valid until canceled or revoked. A vendor who sells and delivers fuel into the fuel tank of a motor vehicle must collect the tax from the user and give a receipt for the tax. The tax collected by the vendor is a debt owed by the vendor to the state.

Effective January 1, 1979, users of diesel fuel, liquefied petroleum gas, liquefied natural gas, or compressed natural gas who use such fuel in privately operated passenger motor vehicles are not required to hold a use fuel tax permit if all fuel used in their vehicles (except for fuel brought into California in the fuel tank), is purchased from a vendor who collects the use fuel tax from the user when delivering the fuel into the fuel tank of the user's motor vehicle.

### *Motor Vehicle Fuel License Tax*

The Motor Vehicle Fuel License Tax Law requires every person dealing in motor vehicle fuel (gasoline) in quantities of 200 gallons or more, to be licensed by the Board as a distributor or a broker. However, the law does not require the licensing of agents of a distributor who operate service stations or bulk plants.

Tax is imposed at the rate of 7 cents per gallon on the first distribution of fuel in this state. The total tax collected for the fiscal year 1978–79 amounted to $836,473,000 on distribution of 11.9 billion gallons, an increase of 2.2 percent over 1977–78. August 1978 usage set an all-time record of 1,078,684,509 gallons, exceeding the previous record of May 1978 by 5 percent.

However, uninterrupted growth in fuel consumption year to year, which began in December 1974, began to reverse in March when a slowdown in gasoline distributions cut the usual increases for those months significantly. Year-to-year increases for both March and April were minimal at less than 1 percent. And then in May, the first decrease in 54 consecutive months occurred as gallonage was a modest 2.82 percent less than in the previous May.

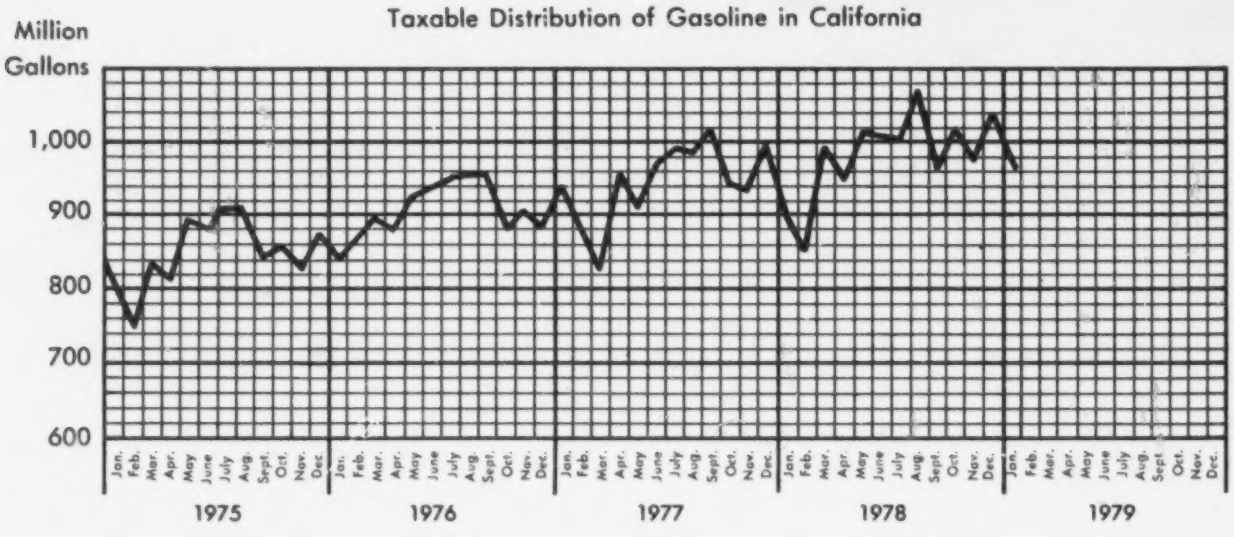
As the fiscal year ended, gasoline distribution in June plunged 7.3 percent, the second greatest year-to-year decrease ever recorded. The all-time record drop in gallonage occurred in March 1974 at the climax of the OPEC boycott, when gallonage for that month fell by 111.5 million gallons, a loss of 12.6 percent from the preceding March.

The impact of higher prices, fuel shortages, curtailed weekend selling, and possible gasoline rationing is impossible to estimate. Pending legislation may affect future revenues by allowing a tax credit for "gasohol" used as a motor vehicle fuel.

The Board of Equalization and the State Controller share responsibility for administering the Motor Vehicle Fuel License Tax. The duties of the Board include registration, maintaining security require-

TAXABLE DISTRIBUTION OF GASOLINE IN CALIFORNIA
(Gallons)

| *Period* | *1975* | *1976* | *1977* | *1978* | *1979* |
|---|---|---|---|---|---|
| January | 809,329,782 | 847,383,379 | 882,763,370 | 907,899,140 | 965,235,012 |
| February | 750,157,281 | 811,325,212 | 821,445,772 | 863,751,214 | 941,774,401 |
| March | 835,430,142 | 897,540,478 | 966,678,938 | 999,173,719 | 1,004,839,496 |
| April | 828,664,883 | 894,450,642 | 915,567,807 | 959,585,117 | 962,013,023 |
| May | 896,041,062 | 920,126,275 | 964,878,814 | 1,027,312,223 | 998,347,230 |
| June | 888,024,629 | 929,846,076 | 988,506,706 | 1,025,631,858 | 950,415,036 |
| July | 897,892,248 | 932,427,326 | 983,688,958 | 1,021,734,683 | |
| August | 909,413,258 | 931,517,413 | 1,000,895,431 | 1,078,684,509 | |
| September | 841,412,417 | 881,610,271 | 948,293,957 | 969,873,136 | |
| October | 869,612,821 | 896,738,710 | 941,241,570 | 1,016,800,184 | |
| November | 828,510,864 | 877,565,880 | 933,922,756 | 980,510,920 | |
| December | 882,890,254 | 935,855,965 | 980,123,744 | 1,026,541,538 | |
| Calendar Year Total | 10,237,379,641 | 10,756,387,557 | 11,328,007,843 | 11,877,558,261 | |




ments, compliance, and auditing. Collections, refunds relating to exempt uses of fuel, and disbursement of funds are the Controller's functions. During 1978–79, the Controller refunded $21,716,000 in tax to consumers for exempt off-highway uses of fuel.

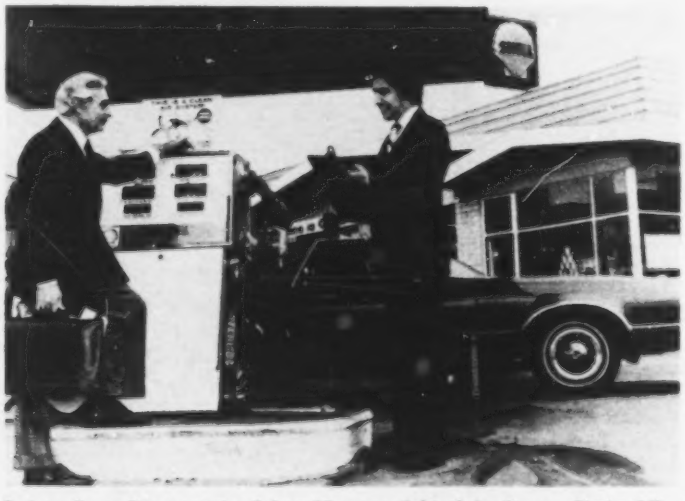
Revenue from this tax is transferred to the state transportation fund for use in building and maintaining state highways, county roads, and major streets. In addition, all revenue attributable to the distribution of motor vehicle fuel for use in propelling aircraft in the state is available for the California Aid to Airports Program. Funds attributable to taxes imposed on fuel used in propelling vessels are transferred to the harbors and watercraft revolving fund, and the estimated tax on fuel used in off-highway agricultural operations is transferred to the Department of Agriculture fund.

### *Aircraft Jet Fuel Tax*

The sale of aircraft jet fuel is taxed at the rate of 2 cents per gallon. The United States Armed Forces, air common carriers, and persons engaged in constructing or repairing aircraft are not subject to jet fuel tax.

The total tax collected for 1978–79 amounted to $941,000 on distributions of 46.4 million gallons.

Revenue from this tax is transferred to the aeronautics fund.



Business Taxes Representative Robert Silverman (left) of the Downey District Office introduces Student Assistant Dennis Frias to compliance field work, explaining the tax liabilities of service stations.

### *Alcoholic Beverage Taxes*

Excise taxes on distilled spirits are collected when the product is sold by the wholesaler to the retailer. The tax rates are $2 per gallon for beverages of 100 proof or less, and $4 per gallon for beverages over 100 proof. Taxes on distilled spirits for the year 1978–79 were $113,329,000, which was 82 percent of total alcoholic beverage taxes collected.

Beer and wine excise taxes are collected from beer manufacturers and vintners when the product is withdrawn from bond and the federal tax is paid, and from importers when the product is imported into California. Excise taxes collected on beer at the rate of 4 cents per gallon totaled $22,367,000 which was 16.1 percent of total alcoholic beverage excise taxes. Wine excise taxes totaled $2,858,000 which was only 2.1 percent of the alcoholic beverage excise taxes collected for the fiscal year.

Wine is taxed at only 1 cent per gallon on still wine not over 14 percent alcohol, and 2 cents per gallon on still wine over 14 percent. Champagne and sparkling wines are taxed at 30 cents per gallon. Approximately 65 percent of the tax collected on wine is from champagne and sparkling wine.

The tax on alcoholic beverages is based on gallonage and therefore is not affected by inflationary trends except to the extent that consumption may be affected by price. Increases in consumption are attributable both to a growing population and increasing per capita consumption. Per capita consumption of alcoholic beverages in California for 1978–79 was 24.7 gallons of beer, 4.3 gallons of wine, and 2.5 gallons of distilled spirits.

Office Assistant II Ida Salazar and Tax Auditor II Stan Gasser determine liability on a distilled spirits tax account.

Senior Account Clerk Joyce Vincenty (right) and Tax Auditor III Walter Rickey review a wine growers list.

In June 1978, there was an increase in distilled spirits taxes collected of 23.2 percent over the average for April and May 1978. This increase was due largely to the ruling by the California Supreme Court that alcoholic beverage fair trade laws were unconstitutional. Some of the increase may be attributed to stockpiling by retailers and consumers. Total distilled spirits taxes for 1978–79 were 2 percent more than for 1977–78.

Board personnel using data processing equipment match information on reports filed by taxpayers, importers, custom brokers, common carriers, and beer vendors. This matching process discloses such differences as a seller and a purchaser reporting different amounts on the same transactions, or it discloses shipments which have not been reported as purchases. Such differences result in field assessments, which in 1978–79 recovered $623,789 in distilled spirits taxes, and $532,090 in beer and wine taxes.

### *Emergency Telephone Users Surcharge*

The Emergency Telephone Users Surcharge Law became operative on July 1, 1977, to provide funds for the implementation and operation of a 911 emergency telephone assistance program.

The 911 emergency system is to be installed on a gradual basis and is supposed to be fully operational statewide by December 31, 1985. Once implemented, the three-digit telephone emergency number may be dialed to obtain emergency services such as police, fire, rescue, or medical assistance.

To provide funds for the implementation and operation of the 911 emergency telephone system, a surcharge of one-half of 1 percent was imposed on charges for intrastate telephone communication services. Every telephone service supplier is required to collect the surcharge from the telephone user at the same time billings for service are collected.

Tax Auditor Robert Gooday contacts a telephone company's accountants regarding their billing procedures for the 911 Emergency Telephone Users Surcharge.

During fiscal 1978–79, total surcharge collections were $14,068,716, an increase over the $8,747,207 collected for the prior fiscal period. Only eight months of surcharge collections were paid during 1977–78.

Following the end of fiscal 1978–79, the Board in August set the surcharge rate for the coming year to take effect in November at zero. The Budget Act for fiscal 1979–80 had allocated $1,262,056 in expenditures for the 911 Emergency Telephone Program. The Board determined that the previous rate of 0.5 percent on in-state phone calls would have generated sufficient revenue by November 1, 1979 to fund the authorized expenditures.

However, the Board's action was superseded by Senate Bill 1180, signed into law September 21, 1979, which extended the existing 0.5 percent rate for three years to November 1, 1982.

### *Insurance Tax*

The insurance tax levied against insurance companies is in lieu of all other taxes except license fees and taxes on real estate. Generally, the tax applies at the rate of 2.35 percent of the gross premiums received on business done in this state except that life insurers are taxed at the rate of one-half of 1 percent on premiums derived from annuities and profit-sharing plans which are exempt or which qualify under specific sections of the Internal Revenue Code.

The administration of the insurance tax is shared by three state agencies. The Department of Insurance regulates insurers and determines the correct amount of tax. The Board of Equalization, upon recommendation from the Department of Insurance, renders the tax assessments. In addition, the Board considers petitions for redetermination and claims for refund, and grants oral hearings to petitioners. The State Controller collects the tax.

Tax revenue for calendar year 1978 increased 9.8 percent over calendar 1977. The increase in insurance premiums, and the commensurate increase in insurance tax, may be attributed to inflation plus other factors, such as added costs to policyholders because of increased claims, growth in population, and business growth that generates increased insurance coverage.

Revenue from the insurance tax is deposited in the state treasury to the credit of the insurance tax fund. The money in the insurance tax fund, upon order of the Controller, is available for insurance tax refunds or is transferred to the general fund of the state.

A summary of assessments by type of insurer for the last four years is shown in the following table:

INITIAL INSURANCE TAX ASSESSMENTS AND PRINCIPAL OFFICE DEDUCTIONS 1975–78
(In Thousands)

| *Type of Insurer* | *1978* | *1977* | *1976* | *1975* | *Percent Change 78 to 79* |
|---|---|---|---|---|---|
| Fire and Casualty | $244,842 | $221,999 | $176,778 | $130,811 | 10.3 |
| Life | 141,990 | 130,261 | 114,975 | 95,351 | 9.0 |
| Title | 7,059 | 6,583 | 5,064 | 2,739 | 7.2 |
| Ocean Marine | 144 | 75 | 37 | 23 | 92.0 |
| Total | 394,045 | 358,918 | $296,854 | $228,924 | 9.8 |
| Principal Office Deduction | 0 | 0 | 0 | $17,841 | |

Office Assistant II Cindy Nordoff delivers Insurance Tax returns to Tax Auditor III Jordan Scott.

### *Energy Resources Surcharge*

A surcharge is imposed upon the consumption in California of electrical energy purchased from an electric utility or the United States. Forty-eight utilities are registered to collect this surcharge from consumers. In addition, 19 water districts remit the surcharge directly to the Board each quarter based on their purchases of electrical energy from the United States.

Office Assistants Irene Stryke (left) and Diana Vaughn register utilities to collect the Electrical Energy Surcharge from their consumers.

The Board is required to set a surcharge rate annually which will produce sufficient revenue to fund expenditures from the state energy resources conservation and development special account authorized in the Governor's budget. The surcharge rate may be fixed within the limits of zero to two-tenths of a mill ($.0002) per kilowatt hour (KWH), graduated in increments of one one-hundredth of a mill. The surcharge rate of $0.00014 per KWH on billings for periods starting before September 1, 1978, was reduced to $0.0001 per KWH for periods starting on or after September 1, 1978. On February 1, 1979, the Board continued the $0.0001 per KWH rate for billing periods starting on or after March 1, 1979. The total surcharge collected during 1978–79 was 18.1 million.

### *Cigarette Tax*

The cigarette tax is imposed upon distributors of cigarettes at the rate of 5 mills ($0.005) for each cigarette, which equals 10 cents per package of 20 cigarettes. The cigarette tax produced $268,816,000 in revenue during 1978–79 representing a 1.9 percent decrease from 1977–78.

Cigarette distributors obtain unstamped cigarettes from manufacturers who maintain stocks in public warehouses in California. All cigarettes acquired by each distributor must be accounted for in reports to the Board. Distributors pay the tax through the purchase of stamps or meter impressions which must be affixed to each cigarette package. The tax-paid indicia are sold through convenient outlets of a major California bank which has contracted to sell the indicia as an agent for the Board.

Monthly reports are also required from cigarette manufacturers and common carriers. These reports enable the Board to trace movements of cigarettes

Tax Auditor II Leland Smith and Office Assistant II Cyndy Shanrock prepare cigarette tax stamp orders.

until the cigarette tax is paid or an exempt distribution is made. In addition, every wholesaler must file a monthly report showing sales, purchases, and inventories. These reports are used to ensure that wholesalers purchase cigarettes from licensed distributors only.

Of the revenue derived from the cigarette tax, 70 percent is deposited in the state treasury to the credit of the cigarette tax fund. Thirty percent of gross receipts, less cost of administration, is returned to local governments. During the last fiscal year, the local governments' share totaled $80,645,000.

### *Audit Activities*

Field auditing of taxpayer accounts is one of the Board's most productive programs, providing revenue benefits that greatly exceed its cost. Because it leads to the detection and correction of taxpayer reporting errors, the audit program protects the state's tax base. Public awareness of the program is a strong incentive to accurate and timely reporting. It also assures that tax laws are enforced uniformly, for Board auditors are as vigilant in detecting overpayment as they are underpayment. This policy fosters a climate of cooperation that deters careless self-assessment.

A staff of 726 auditors conduct field auditing activities: 623 are assigned to field offices in California and 103 are assigned to Board field offices in New York, Chicago, and Houston to audit taxpayers doing business in California who maintain their records elsewhere.

The Board's sales tax audit selection system classifies accounts into groups which have similar audit characteristics, so that any account within a category has the same likelihood of producing significant audit results. Under the system, adjustments are made continually to reflect changes in the law and other circumstances which could lead to tax error in any industry or business.

Corrections resulting from audit are referred to as "tax change"—which may be refunds to taxpayers or billings for additional taxes, or the sum of both. Tax change is considered one of the indicators of the effectiveness of the audit program. During fiscal 1978–79, new records were established in audit disclosure of underpayments and overpayments of self-assessed taxes. Total tax change for all business taxes amounted to $116.2 million, 11 percent more than the $104.7 million of the preceding year. Tax change per audit hour rose from $118.63 to $127.89. The tax change included $12 million in refunds made to 2,554 taxpayers.

The high level of productivity of the field audit program during the past five years is shown in Table A. Table B analyzes the Board's individual audit activities during the fiscal year. (See page 62.)

Auditors Robert Imig and Darlene Allen of the Inglewood District Office turn in working papers from a large corporate audit which involved extensive analysis and testing.

In the Inglewood District Office, Business Taxes Representative Donald Harrill confers with delinquent account by phone. Telephone contact with taxpayers has expedited collection efforts.

### *Compliance Activities*

Compliance activities in the Board emphasize service to taxpayers to help them comply with tax laws. During 1978, the Board recovered delinquent taxes at a rate of $272 for each hour of collection time expended, a favorable cost-benefit ratio of 22 to 1.

Each year, approximately 10 percent of the business taxes accounts fail to file all tax returns on a timely basis, resulting in almost 70,000 delinquencies. (Some accounts are delinquent more than once during the year.) Collections have been expedited by an intensified program of telephone and mail contacts, eliminating many personal visits formerly made by field staff.

Field offices issued 142,241 new business taxes permits during 1978–79 and closed out 122,819, for a net gain of 19,422.

Checks received for payments of returns or accounts receivable which are dishonored and returned to the Board are subsequently billed to the taxpayer. During 1978–79, 13,426 dishonored checks were processed. The number of dishonored checks increases each year because of the continual growth in total sales outlets and tax returns filed. Table 18 in the statistical appendix shows the increase in number of permits and revenue by fiscal year.

New Auditor Daniel Richardson (seated) receives training from Auditor A. A. Delli-Venneri in the Long Beach District Office.

TABLE A

SUMMARY OF BUSINESS TAXES FIELD AUDIT ACTIVITIES

FISCAL YEARS 1974–75 to 1978–79

| Year | Number of Audits Completed[a] | Hours of Direct Field Audit Time[b] | Average Hours Per Audit[a,b] | Direct and Indirect Cost[c] | Tax Change[a,d,e] | | |
|---|---|---|---|---|---|---|---|
| | | | | | Total | Per Hour | Per Dollar of Cost |
| 1978–79 | 24,834 | 906,626 | 36.6 | $25,987,000 | $116,200,000 | $127.89 | $4.47 |
| 1977–78 | 26,031 | 882,416 | 33.9 | 23,800,000 | 104,681,000 | 118.63 | 4.40 |
| 1976–77 | 26,240 | 922,509 | 35.2 | 22,931,000 | 94,428,000 | 102.36 | 4.12 |
| 1975–76 | 26,811 | 964,514 | 36.0 | 21,702,000 | 76,911,000 | 79.74 | 3.54 |
| 1974–75 | 26,302 | 862,680 | 32.8 | 17,946,000 | 60,128,000 | 69.70 | 3.35 |

[a] Includes field billing orders, i.e., deficiencies or refunds based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for resudits and hours spent on field waivers.
[c] Includes overhead costs and a portion of the costs of other state agencies such as the Department of Finance and the State Personnel Board.
[d] Includes tax change arising from state-administered local taxes.
[e] Adjusted for estimated cancellations.

TABLE B

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY FISCAL YEAR 1978–79

| Tax Program | Number of Audits[a] | Number of Hours[b] | Average Hours Per Audit[a,b] | Tax Change[a,c,d] | | | |
|---|---|---|---|---|---|---|---|
| | | | | Refunds | Deficiencies | Total | Per Hour |
| Sales and Use Tax | 23,347 | 873,596 | 37.4 | $11,011,324 | $99,879,267 | $110,890,591 | $126.94 |
| Use Fuel Tax | 1,046 | 19,380 | 18.5 | 366,115 | 966,876 | 1,332,991 | 68.78 |
| Motor Vehicle Fuel License Tax | 95 | 7,183 | 75.6 | 538,323 | 1,961,143 | 2,499,466 | 347.97 |
| Alcoholic Beverage Tax | 289 | 6,079 | 21.0 | 121,630 | 1,115,642 | 1,237,272 | 203.53 |
| Cigarette Tax | 57 | 2,399 | 41.9 | — | 240,099 | 240,099 | 100.50 |
| TOTAL BUSINESS TAXES | 24,834 | 906,626 | 36.6 | $12,037,392 | $104,163,027 | $116,200,419 | $127.89 |

[a] Includes field billing orders, i.e., deficiencies or refunds based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for resudits and hours spent on field waivers.
[c] Includes tax change arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.

### *Tax Return Processing*

During the fiscal year the Board mailed over 2.5 million tax returns to taxpayers, who report their taxes and remit payment. Returns and tax payments are sorted and cashiered as soon as they are returned to the Board. In a rush period, more than 88,000 returns and over $207 million may be processed in a single day.

Much of the information on the return is transferred to computer in the early stages of processing, so that Board staff has almost immediate access to return information. Each tax return is reviewed for mathematical accuracy and for proper exemptions. If there are errors, appropriate action is taken to rectify them.

Kathy Trujillo of the Central Files Unit microfilms yearly tax returns. Over 600,000 returns and prepayment forms were microfilmed during the fiscal year resulting in a substantial reduction in storage space and retrieval time.

Key Data Operator Carol de la Rosa transfers tax return information to the computer. Tax returns are keypunched in the early stages of processing so that Board staff has almost immediate access to return information.

Terri Hopkins (left) and Angie Yost review boat registration packets from the Department of Motor Vehicles to determine possible tax liability.

### *Use Tax Activities*

All purchases of vehicles, vessels, and aircraft in California are subject to sales tax when purchased from dealers or use tax when purchased from non-dealers. The administration of the use tax on vessel, aircraft, and certain vehicle transactions is centralized in Sacramento. The Board contracts with the Department of Motor Vehicles to collect the tax on most vehicle transactions at the time of registration.

The Board staff establishes and maintains accounts, determines amounts due, grants exemptions, and collects delinquencies on these transactions. During 1978–79, approximately 100,000 new accounts were established. 65,331 of these were cleared by voluntary payment, 14,626 were granted an exemption, and 19,555 required enforced collections. This work load required an average of over 5,000 telephone calls and 1,500 letters per month plus numerous personal interviews.

Most Board field offices deal with taxpayers in a wide variety of businesses. However, this use tax activity requires contact with many persons who are not in business. One out of every ten residents of California is affected by this program each year.

During 1978–79, the Board established or improved procedures to identify and deter intentional evasion of the use tax. Although it is not a common practice, one type of evasion requiring special attention has been the identification of large vessels used in California but registered in another state to evade California use and personal property taxes. A Board investigator spent approximately two weeks in Oregon directly investigating California vessels registered in that state, generating in excess of $250,000 revenue for state and local government.

Revenue from use tax on vehicles, vessels, and aircraft increased 16 percent this fiscal year as shown in the following table:

| *Fiscal Year* | *Vehicles* | *Vessels* | *Aircraft* | *Transit District* | *Total* |
|---|---|---|---|---|---|
| 1974–75 | 63,695,975 | 7,766,939 | 2,030,286 | 135,935 | 73,629,135 |
| 1975–76 | 72,045,076 | 8,771,692 | 2,829,812 | 148,682 | 83,795,262 |
| 1976–77 | 95,507,692 | 9,932,735 | 3,561,709 | 209,438 | 109,231,574 |
| 1977–78 | 129,638,857 | 10,754,361 | 3,998,632 | 337,027 | 144,725,877 |
| 1978–79 | 151,930,612 | 11,650,518 | 4,120,097 | 320,706 | 168,021,933 |
| % change 78–79 cf. 77–78 | 17% | 8% | 3% | −5% | 16% |

Office Assistant II Virginia Jones files use tax accounts maintained by the Board's Occasional Sales Unit in Sacramento.

### *Taxpayer Account Files*

With taxpayer accounts growing at an annual rate of 5 percent, effective use of space, equipment, and personnel becomes a major factor in records management. To conserve space and improve productivity, a new open-shelf file system was installed in the Central Files Unit in Business Taxes headquarters during 1977–78 replacing more than 1,000 five-drawer file cabinets and providing for projected expansion needs for the next ten years. As a result, a 25 percent increase in productivity was achieved in the filing operations.

To improve record-keeping procedures, a microfilm system was installed in 1978–79. Storage space and retrieval time have been substantially reduced with the microfilming of over 600,000 yearly returns and prepayment forms. In addition, other uses of microfilm are planned to reduce storage and file space needed for the nearly 4,000,000 documents received each year.

Mailing Machines Supervisor Scott Ruh operates a mail inserting machine which prepared 2.5 million tax returns for mailing during the fiscal year.

## Business Taxes Legislation

Following is a brief summary of the bills passed by the Legislature during the last half of the 1977–78 legislative session which are of significance to the Board's business taxes operations:

*Assembly Bill 2340—Chapter 1226—January 1, 1979*

Amends Section 1250 of the Health and Safety Code pertaining to the definition of a health facility for licensing purposes. A new category of licensing for "general acute care/rehabilitation hospital" has been added to this section. This type of health facility is entitled to the exemption from sales tax on meals pursuant to Section 6363.6 of the Revenue and Taxation Code.

*Assembly Bill 2563—Chapter 1182—September 26, 1978*

Adds Section 6018.4 to the Revenue and Taxation Code to provide that a licensed chiropractor is the consumer and not the retailer of vitamins, minerals, dietary supplements, and orthotic devices used or furnished by him in the performance of his professional services.

*Assembly Bill 2814—Chapter 827—January 1, 1979*

Adds Section 7356.5 to the Motor Vehicle Fuel License Tax Law to provide that a distributor or broker must pay tax on the gallonage redistributed which is in excess of the gallonage acquired tax-paid from a distributor or broker. Prior to the enactment of this law, a redistribution by a broker of excess gallonage acquired from another broker was not subject to the tax.

Amends Section 8608 of the Revenue and Taxation Code to provide that users of diesel fuel, liquefied petroleum gas, liquefied natural gas, or compressed natural gas who use such fuel in privately operated passenger motor vehicles are not required to hold a use fuel tax permit if all fuel used in their vehicles (except for fuel brought into California in the fuel tank) is purchased from a vendor who collects the use fuel tax from the user when delivering the fuel into the fuel tank of the user's motor vehicle.

*Senate Bill 472—Chapter 1211—January 1, 1979*

Amends the Sales and Use Tax Law for the purpose of specifying that the sales tax is imposed upon the retailer rather than the consumer in response to the contrary ruling in *Diamond National Corporation* v. *State Board of Equalization,* 425 U. S. 268. Removes the provision requiring tax reimbursement to be collected from the consumer insofar as it can be done and the provision prohibiting retailers from advertising that they will assume or absorb the tax.

Added Section 1656.1 to the Civil Code which provides that whether a retailer may add sales tax reimbursement to the sales price of tangible personal property sold at retail depends upon the terms of the agreement of sale. It also sets forth conditions under which there is a presumption that the parties have agreed to add sales tax reimbursement to the sales price or to include it in the sales price. In addition, this section requires the Board of Equalization to prepare tax reimbursement schedules with stated brackets for sales at a price of $1.15 or less.

*Senate Bill 1021—Chapter 1019—September 22, 1978*

Adds Section 6365 to the Revenue and Taxation Code to exempt from state and local sales and use taxes original works of art, if purchased by a state or local governmental entity, or by a nonprofit organization for a public museum, or if purchased for a donation and actually donated by delivery by the retailer to such a museum, provided the art is purchased to become part of a permanent collection of a museum.

Also adds Section 6366.3 to exempt from state and local sales and use taxes items which have value as museum pieces purchased by certain nonprofit museums to replace property destroyed by fire, flood, earthquake, or other calamity under specified conditions.

*Senate Bill 1234—Chapter 1140—September 26, 1978*

Extends the benefits of the Mills-Hayes Act, with certain exceptions, to any private entity providing transportation services under contract or agreement with a public agency authorized to provide public transportation services so that such an entity would pay a tax of 1 cent and not 7 cents per gallon of diesel fuel. It also provides for refund of 6 cents per gallon of the gasoline tax to those entities which receive the Mills-Hayes Act exemption.

*Senate Bill 1405—Chapter 1383—September 30, 1978*

Amends Section 6006.3 of the Revenue and Taxation Code to provide that a "lease" does not include a use of tangible personal property for a period of less than one day for a charge of less than $20 (previously $10) when the privilege to use the property is restricted to use on the premises or at the business location of the grantor of the privilege.

*Senate Bill 1493—Chapter 878—September 19, 1978*

Adds Section 6371 to the Revenue and Taxation Code to exempt from state and local sales and use taxes the sale or use of medical alert tags furnished by an organization exempted from income tax under Section 23701.

The bill also provides that the exemption will only remain in effect until September 19, 1980, unless legislatively extended.

*Senate Bill 1803—Chapter 1010—January 1, 1979*

Amends Section 6353 of the Revenue and Taxation Code to exempt from state and local sales and use taxes the sale or use of exhaust steam, waste steam, heat, or resultant energy, produced in connection with cogeneration technology, as defined in Section 25134 of the Public Resources Code.

*Senate Bill 2093—Chapter 891—September 19, 1978*

Amends Section 1502 of the Health and Safety Code to include a "foster family home" within the term "community care facility" thereby extending the exemption from sales tax on meals pursuant to Section 6363.6 of the Revenue and Taxation Code.

*Senate Bill 2173—Chapter 959—September 20, 1978*

Adds Section 6369.4 to the Revenue and Taxation Code to exempt from state and local sales and use taxes the sale or use of items and materials used to modify a vehicle for physically handicapped persons.

# VII. TAX LITIGATION

## PROPERTY TAXES

### *Property Taxation In California Under Proposition 13 Is Constitutional As A Whole.*

The electorate of the state adopted at California's June 1978 election an initiative measure popularly known as Proposition 13. It added Article XIIIA to the California Constitution to limit and set new procedures for the assessment of property taxes. In brief, the article set a limit of 1 percent for ad valorem tax on real property; set the assessment base at full cash value as shown on the 1975–76 tax bill or thereafter when purchased, newly constructed or a change of ownership has occurred; set a maximum of 2 percent annual increase in the fair market value base of real property not purchased, newly constructed or changed ownership since the 1975 base year.

The California Supreme Court took original jurisdiction and held the measure was constitutional. The court held the measure was a valid constitutional amendment; that the subject matter was rightly limited to a singular subject; that equal protection of those taxed was not violated even though some would be taxed at a different amount for the same market value of property; that neither the right to travel nor right to contract was not constitutionally impaired; that it was not unconstitutional for vagueness even though legislation may be needed to implement the measure. *Amador Valley Joint Union High School District* v. *State Board of Equalization*, 22 Cal. 3d 208 (1978).

### *A Nonprofit Tax-Exempt Property Shall Not Be Denied A Welfare Exemption On Grounds It Is Profit-Generating When The Property Is Leased To Another Exempt Organization So Long As The Leasing Arrangement Is Not Intentionally Profit-Making Or Commercial In Nature.*

A nonprofit tax-exempt owner leased exempt property to another tax-exempt organization. The lease provided the premises were to be used exclusively for exempt purposes. The assessor denied the exemption on the property that was leased, based upon grounds that the rental amount exceeded that reasonably necessary to cover the cost of rental of the property. The assessor asserted the property was generating profit and therefore did not qualify for the welfare exemption.

The Court of Appeal held for the claimant. The Court expressed the conclusion that the fact that rental income may exceed operating exenses in a given year will not disqualify a tax-exempt lessor from receiving the welfare exemption on real property leased to another exempt organization where the property is exclusively used for exempt purposes and such leasing arrangement is not intentionally profit-making or commercial in nature. *Christ the Good Shepherd Lutheran Church* v. *Mathiesen*, 81 Cal. App. 3d 335 (1978).

### *A Student's Possessory Interest In Family Housing Owned By The University Of California Is Exempt From Property Tax Under The California Constitution, Article XIII, Section 3, Subdivision (d).*

The County of Alameda assessed students residing in housing owned by the University of California. The assessment was based upon the county assessor's determination that the students' lease in the housing was a taxable possessory interest assessable to the students.

The Court of Appeal held that a student's possessory interest in family housing owned by the University of California was exempt from property tax under California Constitution, Article XIII, Section 3, subdivision (d). That constitutional exemption provides a property tax exemption for property used exclusively for state universities. The Court held that the University of California is a state university within the meaning of the statute and that students' leasehold interests are property used exclusively for the university within the meaning of the exemption. *Mann* v. *County of Alameda*, 85. Cal. App. 3d 505 (1978).

### *A Real Property Owner Cannot Be Held Personally Liable For Property Taxes Owed To A County Prior To His Bankruptcy But After The Property Was Foreclosed And Acquired By The Federal Small Business Administration (SBA).*

The taxpayer owned property subject to a deed of trust guaranteed by the Small Business Administration (SBA), a United States government agency. The taxpayer became delinquent on four years of property taxes. The SBA foreclosed and acquired the property. The county transferred the property from the secured roll to the unsecured roll and assessed the taxpayer personally. Shortly thereafter, the taxpayer was adjudged bankrupt.

The Court of Appeal found that 15 U. S. Code Chapter 14A, Section 646 provides the SBA security in the property shall be subordinate to any lien on such property for local property taxes. The county's tax lien survived the foreclosure and could have been enforced against SBA. Thus, the county's transfer of the taxes to the unsecured roll was improper. The sole security for the property taxes, in this instance, is the property itself. *Garcia* v. *County of Santa Clara*, 87 Cal. App. 3d 319 (1978).

### *Cargo Containers Owned By A Foreign Shipping Firm Which Is Registered And Based Abroad Are Exempt From Local Property Taxation When The Containers Are Used In Interstate Commerce.*

Japanese shipping companies' vessels carry cargo containers which, like the ships, are owned by the appellants, are based, registered, and subject to property tax in Japan, and are used exclusively in foreign commerce. A number of appellants' containers were temporarily present in California and assessed locally for property taxes.

The U. S. Supreme Court held the California ad valorem property tax as applied to appellants' shipping containers is unconstitutional under the commerce clause of the U. S. Constitution since the taxation results in multiple taxation of the instrumentalities of foreign commerce. The unconstitutional taxation wrongfully prevents this nation from speaking with one voice in regulating trade and thus, is inconsistent with Congress' power to regulate commerce with foreign nations. *Japan Line, Ltd.* v. *County of Los Angeles*, 20 Cal 3d 180; ——— U.S. ———, 60 L. Ed. 2d 336.

## BANK AND CORPORATION TAXES

### *Franchise Tax Board Entitled to Injunction Restraining Corporation from Interfering with Audit Investigation*

Taxpayer filed an action against the Franchise Tax Board for refund of franchise tax paid for the income years November 1, 1959 through October 31, 1963. In 1975, the board asked Firestone to cooperate in arranging time for an audit of income years after October 31, 1963. Firestone had agreed to the audit but now refused to cooperate on the grounds that the audit might yield information relative to its refund action.

The Franchise Tax Board petitioned for an order requiring Firestone to cooperate in the audit. Firestone demurred and the trial court sustained the demurrer on the ground that it had no statutory jurisdiction over the matter.

The Court of Appeal reversed, holding that Firestone's demurrer was not sustainable on any of the grounds claimed. Further, it held that under Revenue and Taxation Code section 26423 the Franchise Tax Board has the power to examine corporate books and records and to question corporate employees in an investigation of the corporation's tax liability. Although the board was not entitled under section 26423 to an injunction compelling Firestone to make its books and employees available for inspection, the board could request an injunction restraining Firestone from interfering with the board's exercise of its statutory power. *Franchise Tax Board* v. *Firestone Tire & Rubber Co.*, 87 Cal. App. 3d 875 (1978).

### *Increase in Franchise Tax Rate Applies to Short Accounting Period*

Taxpayer, successor in interest to Western Kraft Corporation, was granted permission to change from a fiscal to a calendar income year, the change to be effective January 1, 1968. This change required taxpayer to report income for a short period from September 1 through December 31, 1967. Taxpayer paid the franchise tax for the short period at the rate of 7 percent, but filed a claim for refund contending that the effective rate for that period was 5.5 percent.

In July 1967 Revenue and Taxation Code section 23151 was amended to increase the franchise tax rate from 5.5 percent to 7 percent. The taxpayer argued that a short period is not a "calendar" or "fiscal" year, which are the accounting periods referred to in the statute and therefore the tax rate change did not go into effect for short periods. The trial court granted the Franchise Tax Board's motion for summary judgment.

The Court of Appeal affirmed, holding that under the California Constitution, Revenue and Taxation Code section 23058 and the amendatory act itself, the rate increase was effective immediately. Since both the business period for which the taxes were imposed and the income period by which they were measured began and ended after the express effective date of the amendment, the rate change applied to the taxpayer's short period. *Willamette Industries* v. *Franchise Tax Board*, 91 Cal. App. 3d 528 (1979).

## PERSONAL INCOME TAX

### *Use Tax Applied To Horses Purchased Under A Resale Certificate Which Were Bred While Being Held For Sale*

Plaintiff, who was engaged in the business of buying, breeding, and selling horses, sought a refund of use tax which had been paid on the purchase of horses, which were bred by plaintiff before being resold. The horses—19 mares and one teasing stallion—had been purchased by plaintiff under a resale certificate and were either in foal or with colts when sold by plaintiff. Plaintiff contended that the breeding of mares while they were being held for sale was not a use subjecting them to liability under Revenue and Taxation Code Section 6094(a) which provides that "if a purchaser who gives a resale certificate makes any use of the property other than retention, demonstration, or display while holding it for sale in the regular course of business, the use shall be taxable to the purchaser . . ." The Court of Appeals found that the breeding of mares substantially increases their value and salability, such action is necessary to create a purchase interest toward the animals, is a reasonable incident to the sale, and not a use incompatible with Section 6094. The Court, however, held that depreciating the horses as capital assets for federal and state income tax purposes negated the inference that they were held solely for resale and therefore use tax properly applied. *McConville* v. *State Board of Equalization*, 85 Cal. App. 3d 156 (85 Cal. App. 3d 1032a) (1978).

## SALES AND USE TAX

### *"Primary Purpose" Test Found Valid In Determining Taxability Of Raw Materials Used In Manufacturing Process*

Plaintiff, a manufacturer and producer of steel, pig iron and other products, purchased certain materials to charge its furnaces and remove impurities from the molten metal. The removal of impurities is accomplished by combining them with the materials to form slag. Portions of the materials were incorporated in the steel to achieve a specific quality; portions incidentally remained in the finished steel; portions were dissipated or lost in the manufacturing process; and portions became components of the slag. An independent company, which removed the slag and reprocessed it, paid plaintiff 1 cent for each ton removed and a 10 percent royalty on the net sales price of the reprocessed slag. After plaintiff either paid sales tax reimbursement on the materials or purchased them under a resale certificate and later paid use tax, it filed a claim for refund with the Board. The Board's position was that plaintiff purchased the materials for a purpose other than resale, namely to aid in the manufacture of steel. Plaintiff argued that the materials were properly purchased for resale in the form of slag, a by-product in the manufacture of steel. The Supreme Court, relying on Sales and Use Tax Regulation 1525 and the interpretations of the Board in its Tax Counsel rulings, upheld the trial court's finding that plaintiff's "primary purpose" for purchasing the raw materials determines their taxability. The Court found the Board's conclusion that plaintiff purchased the materials to aid in manufacturing steel was reasonable, and held that if property is purchased as an aid in the manufacturing process, it is taxable despite some portion remaining in the finished product or an incidental waste or by-product results. *Kaiser Steel Corporation* v. *State Board of Equalization*, 24 Cal. 3d 188 (1979).

### *Modification Work Which Becomes A Component Part Of An Airplane Leased By Common Carrier Is Not Exempt From Tax*

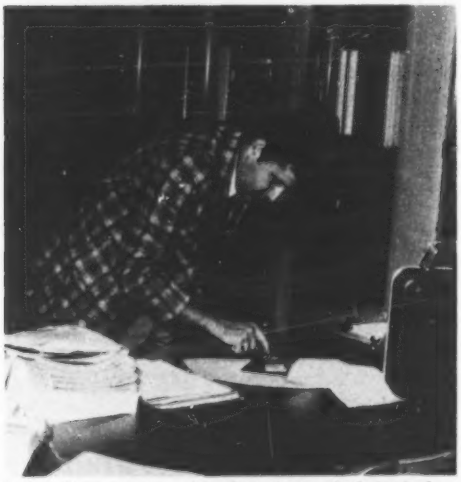
Plaintiff engaged in the business of leasing transport category aircraft. Plaintiff and one of its common carrier lessees agreed that a leased aircraft would be modified to increase its load carrying capacity and engine power. The modification work was performed by a separate firm. The engines were removed from the airplane, delivered to the repair firm and reinstalled when the modification was completed. The Board taxed the modification and tax was paid by the repair firm. Plaintiff reimbursed the repair firm for the amount of tax and the repair firm assigned its refund claim to plaintiff. After denial of the claim by the Board, plaintiff sought recovery in Superior Court on the basis that the modification work should be considered exempt as a sale, use, or other consumption of aircraft provided to common carriers pursuant to Revenue and Taxation Code Sections 6366 and 6366.1(a). The Court of Appeals held that Sections 6366 and 6366.1(a) do not exempt the gross receipts from the sale in this state of tangible personal property thereafter becoming component parts of aircraft which have already been sold, leased, or sold for the purpose of leasing, to persons using such aircraft as common carriers of persons or property. The modifications of the engines of the aircraft owned by plaintiff were therefore properly subject to tax. *National Aircraft Leasing, Ltd.* v. *State Board of Equalization*, 90 Cal. App. 3d 549 (1979).

# PICTURE THE STAFF

**Board of Equalization employees at work.**

Secretary Chris Tintor handles sales tax security work in the San Diego District Office.

Roxann Winterberg, Cashier, Downey Office, receives payment (with a smile) for taxes from a taxpayer.



Auditor Ramon Hirsig makes a last minute calculation before leaving the San Bernardino District Office on a field assignment.

John Grgurina (right), Supervising Tax Auditor I, discusses an audit with Dave Michalek, Tax Auditor III in the Oakland District Office.

Senior Account Clerk Ruth Burch verifies allocation codes on sales and use tax returns.

Student Assistant Abbey Smith prepares a seller's permit application for a taxpayer in the Modesto Subdistrict Office.

Statistical Research and Consulting Analysts Aileen Lee and David Hayes estimate the effect pending legislation will have on state tax revenues.

Business Taxes Representative Walt Henry explains a use tax billing to the purchaser of a used car.

Barbara J. Mohs, Secretary to Principal Compliance Supervisor in the Inglewood District Office.

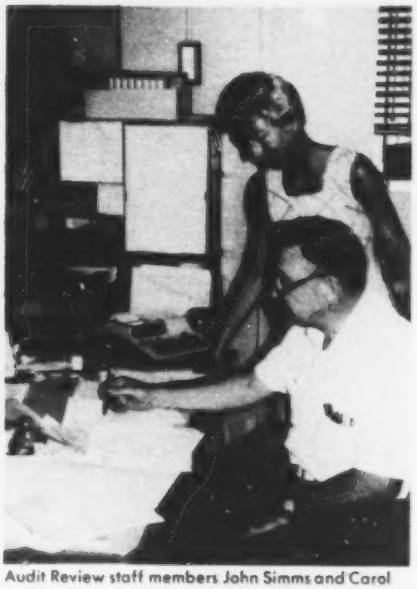
Administrator Bob Goldflam and his Secretary, Alice Montgomery, review taxpayer correspondence in the San Mateo Office.

In the San Mateo District Office, Field Audit Supervisor Howard Frolich answers a taxpayer's question about the application of the BART one-half percent sales tax.

Marc Morales, Tax Auditor II, Downey Office, reviews audit computation with Carolyn Lewis, Tax Auditor II.

Donald Alecock, Senior Tax Representative, Downey Office, discusses collection case with taxpayer.

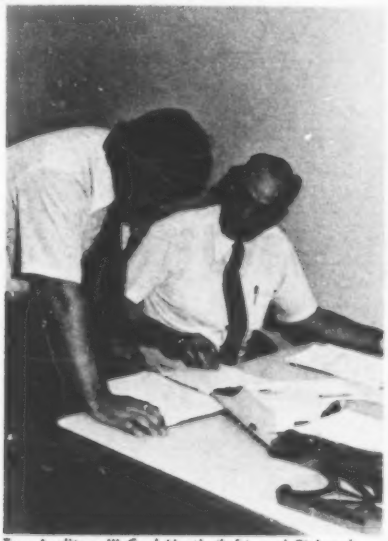
Kenneth Beckstrom, Business Taxes Representative in the San Jose District Office, reviews a collection case.



Audit Review staff members John Simms and Carol Holman in the San Diego District Office.

In the Oakland District Office file room, Bobbie Frost, Office Assistant I, pulls an account file.

Henry Lee, Auditor in the San Mateo Office, ponders a complex audit problem.



Tax Auditors III Carl Herth (left) and Richard Musson review an audit.

Program Technician Cindy Clay (center) and Office Assistants II Jean Croessmann (left) and Janet Nickelsen in Account Reference answer queries from taxpayers and the district offices.

Depositing the office mail at the end of the day is Janice Beale, Office Assistant II in the Inglewood District Office.

Nate Duncan, Administrator for the Modesto Subdistrict (seated), reviews a taxpayer's claim for refund with Tax Auditor II Michael McGrath.

Bertram Sugimoto, Auditor I in the Inglewood District Office, completes his report of a field audit.

Business Taxes Representative II Mike Littrell and Business Taxes Representative I Barbara Spurlock telephone taxpayers to effect compliance in the San Diego District Office.

Dick Schartenberg, Tax Compliance Supervisor in the San Mateo Office, considers a compliance problem.

Tax Auditor III Fred Berkey, Field Audit Supervisor in the San Jose District Office, instructs a statistical sampling training course for tax auditors.

# STATISTICAL APPENDIX

## ANNUAL REPORT 1978-1979

## CALIFORNIA STATE BOARD OF EQUALIZATION

# WHERE TO FIND IT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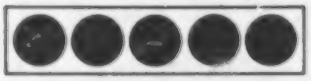


## TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1978 to June 30, 1979

| Function | Expenditures | |
|---|---|---|
| | 1977–78 | 1978–79 |
| 1 | 2 | 3 |
| Personal services | $51,151,360 | $52,110,949 |
| Operating expenses and equipment: | | |
| General expense | 4,381,986 | 4,765,692 |
| Printing | 661,780 | 792,505 |
| Communications | 1,413,680 | 1,683,350 |
| Travel—in-state | 1,756,063 | 1,668,639 |
| Travel—out-of-state | 500,077 | 568,883 |
| Data processing—equipment rentals | 850,640 | 1,043,485 |
| Facilities—operation | 2,543,435 | 2,841,480 |
| Equipment | 133,304 | 199,845 |
| Prorated charges | 67,856 | 80,191 |
| Totals, operating expenses and equipment | 12,308,610 | 13,407,940 |
| Totals, expenditures | $63,459,970 | $65,518,189 |
| Reimbursements—other | −12,692,715 | −14,453,859 |
| Net expenditures | $50,767,255 | $51,065,330 |

## TABLE 2—SUMMARY OF REVENUES FROM ASSESSMENTS MADE BY THE BOARD, BY FISCAL YEAR, 1968–69 TO 1978–79

(In thousands of dollars)

| Revenue source | 1968–69 | 1973–74 | 1977–78 | 1978–79 |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| Local taxes on state-assessed properties [a] | $433,003 | $497,450 | $725,268 | $326,167 |
| Private car taxes [a] | 3,865 | 7,333 | 8,277 | 3,325 |
| Fuel taxes and fees: | | | | |
| Motor vehicle fuel license taxes: [b] | | | | |
| Gasoline tax | 601,783 | 701,400 | 810,020 | 836,473 |
| Jet fuel tax | – | 390 | 692 [r] | 941 |
| Subtotals | 601,783 | 701,790 | 810,712 [r] | 837,414 |
| Use fuel tax [c] [r] | 35,953 | 52,239 | 66,044 | 75,187 |
| Fees | 15 | 20 | 23 | 23 |
| Subtotals | 35,968 | 52,259 | 66,067 | 75,210 |
| Fuel total | 637,751 | 754,049 | 876,779 [r] | 912,624 |
| Sales and use taxes and fees: [c] | | | | |
| State taxes | 1,534,612 | 2,673,570 | 5,028,659 | 5,810,464 |
| City and county sales taxes | 402,449 | 641,121 | 1,053,430 | 1,209,699 |
| County transportation tax [d] | – | 158,775 | 263,127 | 302,446 |
| Bay Area Rapid Transit District taxes [e] | – | 36,184 | 56,063 | 61,936 |
| Southern California Rapid Transit District taxes [f] | – | 335 | 189 | 212 |
| Santa Clara County Transit District taxes [g] | – | – | 31,394 | 36,506 |
| Santa Cruz Metropolitan Transit District taxes [h] | – | – | – | 1,391 |
| Fees | 156 | 205 | 308 | 310 |
| Totals | 2,037,217 | 3,510,190 | 6,433,170 | 7,422,986 |
| Alcoholic beverage taxes: [c] | | | | |
| Taxes on beer and wine | 14,049 | 18,756 | 22,974 | 25,137 |
| Taxes on distilled spirits | 85,215 | 100,556 | 109,086 | 114,983 |
| Totals | 99,264 | 119,312 | 132,060 | 140,060 |
| Cigarette tax [c] | 237,158 [i] | 256,921 [i] | 274,102 [i] | 288,816 [i] |
| Electrical Energy Tax [k] | – | – | 17,660 | 18,065 |
| Emergency Telephone Users' Surcharge [l] | – | – | 8,747 | 14,069 |
| State Litter Control [m] | – | – | 187 | 536 |
| Timber Yield Tax [n] | – | – | 27,100 | 42,518 |
| Timber Reserve Fund Tax [n] | – | – | 2,211 | 3,244 |
| Grand totals [o] | $3,449,257 | $5,147,255 | $8,505,561 [r] | $9,152,431 [j] |

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include taxes on intangibles through 1967–68 and ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed or on gross receipts of for-hire carriers. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] This one-fourth of one percent tax became effective July 1, 1972. At the same time the state sales tax rate was reduced from 4 to 3¾ percent.

[e] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BART for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $4,980,174 for 1977–78 and $16,141,713 for 1978–79, including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BART.

[f] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[g] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[h] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[i] Includes $71,147,533 in 1968–69, $77,076,998 in 1973–74, $82,531,000 in 1977–78, and $80,045,000 in 1978–79 earmarked for cities and counties.

[j] Insurance taxes amounted to $306,880,587 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[k] This tax became effective January 1, 1975.

[l] This tax became effective July 1, 1977.

[m] This tax became effective January 1, 1978.

[n] This tax became effective April 1, 1977, but no revenue was due until 1977–78.

[o] Exclusive of Motor Vehicle Transportation License taxes which were repealed effective July 1, 1973.

[r] Revised.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

## TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1977–78 and 1978–79

(In thousands of dollars)

| Programs | Board expenditures [a] | | Non-board expenditures [b] | | Total costs | |
|---|---|---|---|---|---|---|
| | 1977–78 | 1978–79 | 1977–78 | 1978–79 | 1977–78 | 1978–79 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Intercounty equalization | 3,150 | 3,198 | 84 | 93 | 3,234 | 3,291 |
| County assessment standards | 1,969 | 1,682 | 102 | 103 | 2,071 | 1,785 |
| State-assessed property tax [c] | 2,558 | 2,422 | 77 | 90 | 2,635 | 2,512 |
| Timber tax | 873 | 941 | – | – | 873 | 941 |
| Sales and use tax | 49,441 | 50,896 | 1,610 | 1,742 | 51,051 | 52,638 |
| Litter Control Tax | 270 | 990 | – | – | 270 | 990 |
| Alcoholic beverage tax | 679 | 694 | 18 | 20 | 697 | 714 |
| Cigarette tax | 1,071 | 1,219 | 11 | 10 | 1,082 | 1,229 |
| Motor vehicle fuel license tax [d] | 392 | 411 | – | – | 392 | 411 |
| Use fuel tax | 2,157 | 2,233 | – | – | 2,157 | 2,233 |
| Emergency telephone users surcharge | 47 | 50 | – | – | 47 | 50 |
| Insurance tax | 118 | 100 | 34 | 35 | 152 | 135 |
| Appeals from other governmental programs | 370 | 447 | 10 | 13 | 380 | 460 |
| Electrical energy tax | 37 | 39 | – | – | 37 | 39 |
| Administration and support | | | | | | |
| Distributed to other programs [e] | (4,502) | (4,877) | – | – | (4,502) | (4,877) |
| Non-board programs (reimbursable) | 398 | 286 | – | – | 398 | 286 |
| Totals, programs | 63,460 | 65,518 | 1,946 | 2,106 | 65,406 | 67,624 |
| Reimbursements | −12,693 | −19,117 | – | – | −12,693 | −19,117 |
| Net totals, programs | 50,767 | 46,401 | 1,946 | 2,106 | 52,713 | 48,507 |

[a] Format conforms to Program Budget presentation.

[b] Includes a portion of the cost of operating central agencies that perform services for the Board, such as offices of the Attorney General, the State Controller, and the State Personnel Board.

[c] Includes the cost of assessing and collecting the private car tax.

[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.

[e] These administrative costs are already allocated to the above tax programs.

## TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1977–78 AND 1978–79 [a]

| Tax | Revenues (in thousands) | | Ratio of board expenditures to revenues (in percent) | | Ratio of total costs to revenues (in percent) | |
|---|---|---|---|---|---|---|
| | 1977–78 | 1978–79 | 1977–78 | 1978–79 | 1977–78 | 1978–79 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Local taxes on state-assessed property | $733,545 | $329,492 | .35 | .74 | .36 | .76 |
| Sales and use tax | 6,433,170 | 7,422,986 | .77 | .69 | .79 | .71 |
| Alcoholic beverage tax | 132,080 | 140,060 | .51 | .50 | .53 | .51 |
| Cigarette tax | 274,102 | 268,816 | .39 | .45 | .39 | .46 |
| Motor vehicle fuel taxes [b] | 876,779 [r] | 912,624 | .29 | .29 | .29 | .29 |
| Electrical energy tax | 17,660 | 18,066 | .21 | .22 | .21 | .22 |
| Emergency telephone users' surcharge | 8,747 | 14,069 | .54 | .36 | .54 | .36 |
| Timber tax | 29,311 | 45,762 | 3.00 | 2.06 | 3.00 | 2.06 |
| Litter control tax | 187 | 536 | – | – | – | – |
| Totals and ratios | $8,505,561 [r] | $9,152,431 | .75 | .72 | .77 | .74 |

[a] Format conforms to Program Budget presentation.

[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

[r] Revised.

## TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, ASSESSMENT RATIOS AND AVERAGE TAX RATES, 1969–70 to 1979–80 [a]

(Assessed values in millions of dollars)

| Assessment agency and type of property | 1969–70 | 1970–71 | 1971–72 | 1972–73 | 1973–74 | 1974–75 | 1975–76 | 1976–77 | 1977–78 | 1978–79 | 1979–80 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| County assessors: | | | | | | | | | | | |
| Land | 19,352 | 20,949 | 22,113 | 23,400 | 24,544 | 26,854 | 28,000 | 32,233 | 36,345 | 37,137 | 43,338 |
| Improvements | 23,834 | 25,415 | 27,327 | 29,594 | 32,095 | 35,641 | 40,232 | 46,476 | 54,149 | 58,316 | 68,106 |
| Totals | 43,187 | 46,364 | 49,440 | 53,003 | 56,639 | 62,496 | 69,252 | 78,709 | 90,394 | 95,453 | 111,441 |
| Tangible personal property | 6,005 | 6,371 | 6,723 | 7,115 | 7,867 | 8,964 | 10,590 | 11,816 | 12,531 | 14,481 | 16,834 |
| Gross tangible property totals | 49,191 | 52,735 | 56,163 | 60,308 | 64,506 | 71,459 | 79,842 | 90,525 | 102,985 | 109,934 [d] | 128,275 |
| Exemptions: | | | | | | | | | | | |
| Homeowners' exemption | 1,910 | 1,910 | 1,955 | 2,051 | 5,738 | 6,008 | 6,382 | 6,538 | 6,787 | 6,936 | 7,006 |
| Business inventory exemption | 475 | 997 | 1,057 | 1,124 | 1,920 | 2,589 | 3,094 | 3,454 | 3,606 | 4,203 | 4,997 |
| All other exemptions [b] | 1,779 | 1,794 | 1,871 | 1,977 | 1,838 | 1,977 | 2,191 | 2,388 | 2,696 | 2,806 | 2,895 |
| Net tangible property totals: [c] | | | | | | | | | | | |
| Net of "all other exemptions" [b] | 47,412 | 50,941 | 54,292 | 58,231 | 62,668 | 69,482 | 77,651 | 88,137 | 100,289 | 107,130 [d] | 125,380 |
| Net of all exemptions | 45,027 | 48,034 | 51,280 | 55,056 | 59,010 | 66,893 | 74,366 | 84,131 | 93,836 | 95,987 [d] | 113,377 |
| State Board of Equalization: | | | | | | | | | | | |
| Land | 415 | 414 | 405 | 374 | 404 | 430 | 482 | 430 | 483 | 480 | 487 |
| Improvements | 2,465 | 2,411 | 2,332 | 2,410 | 2,466 | 2,483 | 2,534 | 2,860 | 3,431 | 6,001 | 6,546 |
| Totals | 2,880 | 2,886 | 2,740 | 2,784 | 2,870 | 2,912 | 3,016 | 3,323 | 3,854 | 6,481 | 7,033 |
| Tangible personal property | 1,922 | 1,813 | 1,753 | 1,777 | 1,740 | 1,904 | 2,025 | 2,257 | 2,611 | 461 | 408 |
| Gross tangible property totals | 4,702 | 4,638 | 4,493 | 4,561 | 4,610 | 4,816 | 5,041 | 5,580 | 6,465 | 6,922 | 7,441 |
| Business inventory exemptions | 1 | 2 | 2 | 2 | 3 | 8 | 13 | 23 | 37 | 48 | 51 |
| Net tangible property totals | 4,702 | 4,637 | 4,491 | 4,559 | 4,607 | 4,809 | 5,028 | 5,557 | 6,428 | 6,874 | 7,390 |
| Totals all property: | | | | | | | | | | | |
| Land | 19,768 | 21,363 | 22,522 | 23,872 | 24,948 | 27,284 | 28,482 | 32,663 | 36,828 | 37,596 | 43,822 |
| Improvements | 26,299 | 27,827 | 29,659 | 32,004 | 34,561 | 38,124 | 42,806 | 49,369 | 57,580 | 64,317 | 74,652 |
| Totals | 46,067 | 49,190 | 52,180 | 55,876 | 59,509 | 65,408 | 72,288 | 82,032 | 94,348 | 101,913 | 118,474 |
| Tangible personal property | 7,927 | 8,184 | 8,476 | 8,892 | 9,607 | 10,866 | 12,615 | 14,073 | 15,143 | 14,943 | 17,242 |
| Gross tangible property totals | 53,894 | 57,374 | 60,656 | 64,768 | 69,116 | 76,276 | 84,883 | 96,105 | 109,391 | 116,858 [d] | 135,715 |
| Net tangible property totals: [c] | | | | | | | | | | | |
| Net of "all other exemptions" [b] | 52,115 | 55,580 | 58,785 | 62,791 | 67,278 | 74,359 | 82,692 | 93,717 | 106,694 | 114,052 [d] | 132,821 |
| Net of all exemptions | 49,729 | 52,671 | 55,771 | 59,614 | 63,617 | 71,693 | 79,391 | 89,687 | 99,964 | 102,862 [d] | 120,767 |
| Ratios of assessed to full value of locally assessed property (percent) | 23.2 | 23.2 | 24.2 | 24.5 | 23.8 | 24.2 | 24.7 | 25.1 | 23.0 | – | – |
| Statewide average tax rates (per $100 assessed valuation) | $9.92 | $10.85 | $11.43 | $11.46 | $11.15 | $11.24 | $11.33 | $11.19 | $10.68 | $4.72 | – |

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and enacted from owners of motor vehicles in lieu of general property tax. Also excludes property subject to special assessment or special taxation, such as airplanes, baled cotton, and documented vessels assessed at 1 percent of full value. See Table 16 for detail.

[b] "All other exemptions" include those for veterans, churches, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' and business inventory exemptions and exclude only "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' and business inventory exemptions.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals

| | County assessors | Totals all property |
|---|---|---|
| Gross tangible property totals | $112,680 | $119,548 |
| Net tangible property totals | | |
| Net of "all other exemptions" | $100,815 | $116,737 |
| Net of all exemptions | $98,673 | $108,547 |

r Revised.

NOTE: Detail may not add to total because of rounding.

## TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF HOMEOWNERS' AND BUSINESS INVENTORY EXEMPTIONS, BY CLASS OF PROPERTY AND BY COUNTY, 1979–80 [a]

(In thousands of dollars)

| County | Land | Improvements | Personal property [b] | Exemptions | Net total | Percent change year to year [c] |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Alameda | $2,087,222 | $2,902,169 | $545,420 | $140,952 | $5,666,859 | 6.3 |
| Alpine | 8,210 | 10,151 | 745 | 64 | 19,042 | 9.9 |
| Amador | 47,336 | 84,544 | 18,418 | 992 | 149,278 | 17.4 |
| Butte | 338,095 | 419,695 | 81,021 | 11,692 | 727,129 | 11.6 |
| Calaveras | 64,292 | 83,192 | 9,618 | 1,161 | 155,941 | 14.9 |
| Colusa | 91,354 | 82,081 | 26,946 | 1,933 | 198,448 | 7.5 |
| Contra Costa | 1,831,279 | 2,772,551 | 427,449 | 50,583 | 4,380,696 | 7.8 |
| Del Norte | 26,546 | 39,479 | 25,645 | 1,209 | 90,661 | 12.8 |
| El Dorado | 203,776 | 297,027 | 27,939 | 5,453 | 523,289 | 21.5 |
| Fresno | 877,045 | 1,710,987 | 486,611 | 62,036 | 3,014,807 | 13.8 |
| Glenn | 86,856 | 74,333 | 33,503 | 1,312 | 193,380 | 4.2 |
| Humboldt | 147,143 | 322,973 | 118,139 | 9,215 | 579,040 | 8.8 |
| Imperial | 182,348 | 180,286 | 63,980 | 4,546 | 422,057 | 7.4 |
| Inyo | 86,800 | 54,560 | 10,873 | 1,571 | 150,662 | 10.9 |
| Kern | 1,996,763 | 1,340,140 | 279,410 | 41,657 | 3,574,656 | 21.2 |
| Kings | 131,358 | 194,721 | 73,885 | 5,730 | 394,214 | 19.7 |
| Lake | 107,090 | 109,300 | 10,594 | 2,146 | 224,739 | 17.8 |
| Lassen | 45,151 | 47,799 | 14,559 | 907 | 106,702 | 14.3 |
| Los Angeles | 13,351,645 | 20,955,967 | 5,907,563 | 999,837 | 39,215,338 | 10.9 |
| Madera | 130,079 | 210,132 | 76,998 | 3,754 | 413,149 | 21.2 |
| Marin | 547,397 | 1,040,325 | 74,729 | 35,394 | 1,627,057 | 15.9 |
| Mariposa | 37,293 | 31,045 | 3,956 | 439 | 71,856 | 14.4 |
| Mendocino | 141,023 | 208,327 | 36,653 | 4,791 | 401,212 | 12.5 |
| Merced | 242,692 | 373,436 | 130,250 | 9,014 | 737,344 | 12.1 |
| Modoc | 47,033 | 26,357 | 10,956 | 191 | 84,357 | 3.6 |
| Mono | 47,089 | 74,573 | 6,418 | 96 | 127,964 | 18.6 |
| Monterey | 554,769 | 952,966 | 150,087 | 24,618 | 1,633,184 | 1.4 |
| Napa | 186,861 | 344,425 | 58,154 | 19,279 | 570,161 | 18.4 |
| Nevada | 131,351 | 181,438 | 16,693 | 3,288 | 326,193 | 25.6 |
| Orange | 4,366,419 | 6,409,161 | 1,469,502 | 156,131 | 12,089,041 | 17.3 |
| Placer | 243,393 | 486,864 | 61,936 | 10,444 | 781,749 | 22.9 |
| Plumas | 56,607 | 120,790 | 15,252 | 715 | 191,930 | 14.0 |
| Riverside | 1,167,150 | 2,122,402 | 292,383 | 68,500 | 3,503,435 | 22.2 |
| Sacramento | 807,036 | 2,363,500 | 357,704 | 60,144 | 3,468,096 | 17.1 |
| San Benito | 57,448 | 75,183 | 23,639 | 983 | 155,317 | 12.5 |
| San Bernardino | 938,259 | 2,789,788 | 426,941 | 103,766 | 4,051,222 | 18.9 |
| San Diego | 3,490,230 | 5,357,852 | 865,743 | 185,579 | 9,518,246 | 20.6 |
| San Francisco | 1,333,953 | 2,883,582 | 379,696 | 178,870 | 4,358,161 | 9.1 |
| San Joaquin | 507,181 | 1,099,124 | 379,536 | 47,313 | 1,938,548 | 15.5 |
| San Luis Obispo | 338,810 | 630,187 | 86,044 | 10,345 | 1,045,696 | 16.9 |
| San Mateo | 1,163,550 | 2,737,980 | 618,207 | 120,689 | 4,398,038 | 9.4 |
| Santa Barbara | 636,579 | 1,017,732 | 154,447 | 47,092 | 1,761,766 | 14.1 |
| Santa Clara | 1,999,719 | 4,554,877 | 1,336,226 | 281,644 | 7,289,178 | 14.9 |
| Santa Cruz | 351,294 | 609,236 | 89,280 | 25,114 | 1,024,696 | 17.2 |
| Shasta | 179,244 | 401,509 | 66,347 | 9,086 | 638,014 | 15.0 |
| Sierra | 14,504 | 12,119 | 2,132 | 249 | 28,506 | 15.4 |
| Siskiyou | 98,367 | 115,179 | 43,949 | 2,704 | 248,091 | 13.6 |
| Solano | 270,148 | 629,586 | 138,258 | 16,254 | 1,051,812 | 18.9 |
| Sonoma | 562,298 | 996,364 | 157,797 | 19,430 | 1,696,929 | 15.2 |
| Stanislaus | 300,804 | 864,502 | 248,640 | 28,717 | 1,497,230 | 17.2 |
| Sutter | 150,034 | 170,019 | 52,939 | 4,822 | 368,170 | 12.1 |
| Tehama | 74,981 | 117,407 | 25,674 | 4,108 | 213,957 | 20.5 |
| Trinity | 29,498 | 29,656 | 9,308 | 305 | 67,158 | 13.0 |
| Tulare | 284,128 | 628,391 | 194,151 | 12,464 | 1,094,204 | 17.2 |
| Tuolumne | 73,269 | 121,190 | 18,429 | 2,183 | 210,805 | 18.7 |
| Ventura | 897,168 | 1,692,136 | 336,214 | 42,327 | 2,873,306 | 20.6 |
| Yolo | 207,807 | 368,670 | 100,142 | 7,301 | 669,119 | 10.8 |
| Yuba | 61,947 | 108,619 | 23,252 | 2,995 | 185,123 | 17.9 |
| Totals | $43,821,715 | $74,651,584 | $17,948,103 | $2,894,571 | $133,880,831 | 13.8 |

[a] The values of these exemptions ($7,006,348,000 for homeowners and $5,047,799,000 on business inventories) have been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include them. This treatment maintains the comparability of data in this series.

[b] Excludes railroad cars operated by private car companies, which were assessed at $80,761,000 and are subject to exclusive state taxation.

[c] Percent changes are based on revised assessed values for 1978–79 which reflect roll changes through April 1978.

Note: These are the values as certified to the Board on the filing date. Additions and deletions to the tax rolls are now allowable throughout the year. These could alter the roll substantially in some counties.

## TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF BUSINESS INVENTORY EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1979–80 [a]

(In thousands of dollars)

| County | Land | Improvements | Personal property [b] | Total | Percent change year to year |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Alameda | $35,037 | $349,473 | $16,444 | $390,956 | 4.3 |
| Alpine | 781 | 1,501 | 1 | 2,283 | 2.0 |
| Amador | 745 | 25,529 | 943 | 27,216 | 7.2 |
| Butte | 2,467 | 65,395 | 1,828 | 69,570 | 5.4 |
| Calaveras | 302 | 13,431 | 135 | 13,868 | 8.0 |
| Colusa | 195 | 12,186 | 389 | 12,770 | 3.7 |
| Contra Costa | 17,897 | 253,575 | 19,390 | 290,862 | −1.3 |
| Del Norte | 44 | 3,733 | 78 | 3,855 | 11.2 |
| El Dorado | 770 | 29,464 | 1,883 | 31,117 | 12.2 |
| Fresno | 10,432 | 337,060 | 41,831 | 389,323 | 11.7 |
| Glenn | 285 | 13,524 | 295 | 14,444 | 6.7 |
| Humboldt | 1,041 | 41,436 | 2,539 | 45,015 | 6.7 |
| Imperial | 1,135 | 19,815 | 2,034 | 22,984 | 6.0 |
| Inyo | 986 | 11,986 | 236 | 13,210 | 8.6 |
| Kern | 6,259 | 173,743 | 5,253 | 185,253 | 9.7 |
| Kings | 680 | 26,270 | 513 | 27,473 | 4.2 |
| Lake | 795 | 16,296 | 46 | 17,137 | 39.3 |
| Lassen | 512 | 10,356 | 1,842 | 13,010 | 7.6 |
| Los Angeles | 179,642 | 1,447,961 | 94,566 | 1,722,171 | 5.9 |
| Madera | 3,970 | 40,089 | 190 | 44,950 | 10.4 |
| Marin | 3,242 | 49,308 | 540 | 53,097 | 9.4 |
| Mariposa | 90 | 4,917 | 47 | 5,054 | 12.7 |
| Mendocino | 1,021 | 21,415 | 485 | 22,921 | 7.2 |
| Merced | 1,922 | 39,890 | 1,251 | 43,063 | 5.5 |
| Modoc | 346 | 8,275 | 1,168 | 9,789 | 5.8 |
| Mono | 442 | 7,300 | 47 | 7,986 | 3.6 |
| Monterey | 4,095 | 135,250 | 9,737 | 149,134 | −.5 |
| Napa | 751 | 20,855 | 279 | 21,885 | 6.3 |
| Nevada | 1,435 | 23,795 | 693 | 25,916 | 5.9 |
| Orange | 89,502 | 302,643 | 16,137 | 408,102 | 9.5 |
| Placer | 4,905 | 54,672 | 3,530 | 63,189 | 7.2 |
| Plumas | 7,377 | 60,419 | 1,295 | 69,091 | 9.8 |
| Riverside | 7,183 | 159,308 | 13,030 | 179,521 | 8.4 |
| Sacramento | 6,586 | 167,081 | 7,814 | 181,161 | 15.2 |
| San Benito | 274 | 11,645 | 160 | 12,079 | 6.8 |
| San Bernardino | 16,371 | 384,432 | 36,498 | 437,311 | 7.5 |
| San Diego | 26,496 | 640,718 | 35,778 | 693,992 | 20.4 |
| San Francisco | 26,821 | 260,736 | 16,347 | 303,904 | 11.5 |
| San Joaquin | 11,978 | 99,164 | 31,323 | 143,465 | 4.4 |
| San Luis Obispo | 4,077 | 241,141 | 17,814 | 263,032 | 4.1 |
| San Mateo | 19,777 | 116,445 | 2,555 | 138,777 | 5.9 |
| Santa Barbara | 13,010 | 95,121 | 4,278 | 82,409 | 5.4 |
| Santa Clara | 11,710 | 239,653 | 6,399 | 256,631 | 6.0 |
| Santa Cruz | 1,557 | 33,088 | 340 | 34,985 | 5.9 |
| Shasta | 3,857 | 105,714 | 3,271 | 112,842 | 5.3 |
| Sierra | 801 | 2,238 | 52 | 2,891 | 12.3 |
| Siskiyou | 1,892 | 22,527 | 4,475 | 28,794 | 5.2 |
| Solano | 2,094 | 55,998 | 1,313 | 59,395 | 6.4 |
| Sonoma | 1,934 | 99,539 | 1,466 | 102,939 | 15.1 |
| Stanislaus | 3,095 | 49,700 | 1,721 | 55,106 | 6.0 |
| Sutter | 434 | 18,556 | 413 | 19,708 | 7.1 |
| Tehama | 475 | 22,307 | 957 | 23,738 | 6.0 |
| Trinity | 168 | 6,533 | 139 | 6,830 | 9 |
| Tulare | 2,680 | 71,167 | 2,397 | 76,104 | 5.8 |
| Tuolumne | 902 | 17,909 | 775 | 19,546 | 9.9 |
| Ventura | 9,595 | 153,348 | 7,461 | 170,004 | 4.0 |
| Yolo | 1,926 | 34,747 | 1,807 | 38,380 | 6.4 |
| Yuba | 530 | 16,104 | 1,119 | 17,773 | 11.2 |
| Totals | $496,902 | $6,346,053 | $407,879 | $7,440,834 | 7.5 |

[a] The value of the business inventory exemption on state-assessed property $80,851,000 has been included in the valuations by type of property because tax rates are set on assessed values which include it. This treatment maintains the comparability of data in this series.

[b] Excludes railroad cars operated by private car companies, which were assessed at $80,701,000 and are subject to exclusive state taxation.

## TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF HOMEOWNERS' AND BUSINESS INVENTORY EXEMPTIONS, BY CLASS OF PROPERTY AND BY COUNTY, 1979–80 *

(In thousands of dollars)

| County | Land | Improvements | Personal property | Exemptions | Net total | Percent change year to year [b] |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Alameda | $2,092,195 | $2,972,894 | $831,976 | $140,952 | $5,406,903 | 6.4 |
| Alpine | 7,659 | 5,550 | 744 | 64 | 15,859 | 11.1 |
| Amador | 46,593 | 59,016 | 17,473 | 982 | 122,102 | 10.0 |
| Butte | 325,686 | 284,430 | 79,183 | 11,682 | 657,559 | 12.3 |
| Calaveras | 63,970 | 60,761 | 9,483 | 1,161 | 142,053 | 13.6 |
| Colusa | 91,159 | 30,865 | 26,557 | 1,933 | 155,670 | 7.6 |
| Contra Costa | 1,813,582 | 2,318,976 | 408,089 | 50,563 | 4,090,054 | 8.5 |
| Del Norte | 36,302 | 35,748 | 20,757 | 1,809 | 90,806 | 12.9 |
| El Dorado | 203,066 | 269,563 | 28,096 | 3,453 | 502,173 | 28.1 |
| Fresno | 696,613 | 1,473,868 | 446,780 | 68,036 | 2,728,252 | 14.0 |
| Glenn | 86,521 | 60,509 | 23,808 | 1,318 | 179,959 | 4.1 |
| Humboldt | 146,108 | 281,537 | 115,951 | 9,215 | 534,005 | 9.0 |
| Imperial | 181,213 | 140,471 | 61,028 | 4,548 | 388,073 | 7.5 |
| Inyo | 85,514 | 48,634 | 10,573 | 1,571 | 137,452 | 11.2 |
| Kern | 1,090,504 | 1,146,397 | 274,137 | 41,537 | 3,369,401 | 28.0 |
| Kings | 130,688 | 169,481 | 73,302 | 8,730 | 369,741 | 21.0 |
| Lake | 104,395 | 98,904 | 10,548 | 8,148 | 207,501 | 16.4 |
| Lassen | 64,329 | 37,443 | 18,717 | 987 | 93,502 | 13.3 |
| Los Angeles | 13,172,033 | 19,309,096 | 5,812,968 | 968,837 | 37,483,167 | 11.1 |
| Madera | 158,109 | 170,043 | 75,896 | 5,754 | 368,294 | 28.7 |
| Marin | 542,150 | 991,180 | 74,080 | 20,384 | 1,571,980 | 16.1 |
| Mariposa | 37,233 | 26,188 | 3,909 | 438 | 66,832 | 14.6 |
| Mendocino | 140,088 | 196,912 | 36,169 | 4,791 | 378,391 | 12.9 |
| Merced | 240,780 | 333,536 | 118,989 | 9,014 | 684,291 | 12.5 |
| Modoc | 46,787 | 18,288 | 9,790 | 191 | 74,668 | 3.3 |
| Mono | 46,027 | 67,084 | 6,371 | 96 | 119,086 | 19.7 |
| Monterey | 550,674 | 828,674 | 140,330 | 24,618 | 1,493,040 | 1.6 |
| Napa | 196,110 | 323,570 | 57,575 | 10,279 | 568,276 | 19.0 |
| Nevada | 120,925 | 157,643 | 16,080 | 3,289 | 300,357 | 27.6 |
| Orange | 4,336,697 | 6,048,718 | 1,453,458 | 198,121 | 11,680,930 | 17.9 |
| Placer | 220,408 | 432,102 | 58,404 | 10,644 | 718,560 | 24.3 |
| Plumas | 40,886 | 90,371 | 13,097 | 715 | 122,849 | 16.4 |
| Riverside | 1,150,987 | 1,993,084 | 290,353 | 68,500 | 3,323,914 | 23.0 |
| Sacramento | 806,770 | 2,196,419 | 340,980 | 60,144 | 3,288,935 | 17.2 |
| San Benito | 97,174 | 63,538 | 23,449 | 983 | 143,258 | 13.0 |
| San Bernardino | 981,899 | 2,485,336 | 400,453 | 103,780 | 3,643,911 | 20.4 |
| San Diego | 3,453,734 | 4,717,134 | 838,985 | 185,579 | 8,884,254 | 20.6 |
| San Francisco | 1,307,132 | 2,368,849 | 363,149 | 178,570 | 4,054,257 | 8.9 |
| San Joaquin | 405,203 | 989,980 | 347,253 | 47,313 | 1,795,083 | 16.5 |
| San Luis Obispo | 335,731 | 388,048 | 88,230 | 10,348 | 782,664 | 21.9 |
| San Mateo | 1,143,773 | 2,081,508 | 615,052 | 130,689 | 4,269,281 | 9.5 |
| Santa Barbara | 682,888 | 958,611 | 150,169 | 47,088 | 1,679,357 | 14.3 |
| Santa Clara | 1,990,009 | 4,316,554 | 1,340,950 | 281,644 | 7,372,547 | 13.2 |
| Santa Cruz | 340,707 | 576,196 | 89,940 | 35,114 | 969,731 | 17.7 |
| Shasta | 175,567 | 368,795 | 63,075 | 9,086 | 598,370 | 17.3 |
| Sierra | 13,903 | 9,881 | 2,080 | 249 | 25,615 | 15.7 |
| Siskiyou | 90,475 | 98,392 | 30,774 | 8,704 | 210,087 | 14.8 |
| Solano | 588,058 | 803,507 | 137,045 | 16,254 | 992,646 | 19.8 |
| Sonoma | 580,364 | 999,725 | 156,331 | 19,430 | 1,503,990 | 15.2 |
| Stanislaus | 398,150 | 814,892 | 190,919 | 30,717 | 1,448,193 | 17.6 |
| Sutter | 140,899 | 131,143 | 32,504 | 4,552 | 268,405 | 12.4 |
| Tehama | 74,500 | 98,019 | 24,617 | 4,105 | 190,228 | 22.6 |
| Trinity | 20,320 | 22,183 | 9,177 | 305 | 60,325 | 14.6 |
| Tulare | 381,598 | 587,524 | 191,794 | 12,404 | 1,019,580 | 19.1 |
| Tuolumne | 75,487 | 105,321 | 17,484 | 2,183 | 191,579 | 19.7 |
| Ventura | 887,577 | 1,589,898 | 288,783 | 48,387 | 2,700,111 | 21.8 |
| Yolo | 205,781 | 333,965 | 90,338 | 7,301 | 630,738 | 11.2 |
| Yuba | 61,397 | 88,515 | 22,153 | 4,060 | 167,350 | 19.6 |
| Totals | $43,334,913 | $69,108,331 | $16,934,224 | $2,894,571 | $125,379,897 | 14.2 |

* The values of these exemptions ($7,895,240,000 for homeowners and $4,999,331,000 on business inventories) have been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include them. This treatment maintains the comparability of data in this series.

[b] Percent changes are based on revised assessed values for 1978-79 which reflect roll changes through April 1979.

Note: These are the values as certified to the Board on the filing date. Additions and deletions to the tax rolls are now allowable throughout the year. These could alter the roll substantially in some counties.

## TABLE 8—NUMBER AND ASSESSED VALUE OF VETERANS', CHURCH, COLLEGE AND WELFARE EXEMPTIONS, 1979–80

(Assessed values in thousands of dollars)

| County | Total exempt value[a] | | Veterans' exemptions[c] | | Church exemptions | |
|---|---|---|---|---|---|---|
| | Assessed value | As percent of tax base[b] | Number | Assessed value | Number | Assessed value |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Alameda | $130,150 | 2.4 | 331 | $2,316 | 683 | $96,393 |
| Alpine | 65 | .3 | 3 | 14 | 1 | 11 |
| Amador | 983 | .8 | 41 | 140 | 30 | 487 |
| Butte[d] | 13,311 | 1.7 | 198 | 693 | 153 | 4,384 |
| Calaveras | 1,161 | .7 | 63 | 188 | 48 | 558 |
| Colusa | 1,933 | 1.9 | 17 | 58 | 40 | 531 |
| Contra Costa | 50,580 | 1.3 | 346 | 1,730 | 430 | 11,098 |
| Del Norte | 1,106 | 1.2 | 58 | 73 | 37 | 687 |
| El Dorado | 5,458 | .9 | 90 | 448 | 98 | 1,868 |
| Fresno[d] | 68,036 | 2.1 | 484 | 1,269 | 658 | 30,247 |
| Glenn | 1,313 | .7 | 17 | 48 | 80 | 1,301 |
| Humboldt[d] | 9,216 | 1.6 | 31 | 188 | 179 | 3,411 |
| Imperial | 4,546 | 1.1 | 175 | 148 | 301 | 3,388 |
| Inyo | 1,573 | 1.0 | 35 | 31 | 43 | 941 |
| Kern | 41,930 | 1.2 | 700 | 888 | 887 | 19,074 |
| Kings | 5,730 | 1.5 | 90 | 328 | 140 | 2,341 |
| Lake | 2,146 | 1.0 | 136 | 309 | 98 | 847 |
| Lassen | 797 | .8 | 177 | 85 | 30 | 698 |
| Los Angeles | 980,837 | 2.6 | 2,788 | 18,340 | 4,188 | 308,501 |
| Madera | 3,716 | .9 | 190 | 171 | 139 | 1,930 |
| Marin | 35,385 | 2.2 | 103 | 953 | 116 | 6,906 |
| Mariposa | 438 | .6 | 41 | 88 | 13 | 101 |
| Mendocino | 4,657 | 1.2 | 84 | 178 | 110 | 1,614 |
| Merced | 9,014 | 1.2 | 190 | 854 | 174 | 3,900 |
| Modoc | 191 | .2 | 47 | 30 | 32 | 149 |
| Mono | 101 | .1 | 7 | 11 | 9 | 61 |
| Monterey | 34,619 | 1.5 | 885 | 1,747 | 180 | 6,385 |
| Napa | 19,275 | 3.4 | 45 | 381 | 90 | 4,300 |
| Nevada | 3,204 | 1.0 | 111 | 441 | 36 | 1,071 |
| Orange | 184,181 | 1.3 | 707 | 6,054 | 471 | 30,218 |
| Placer | 10,444 | 1.3 | 100 | 408 | 140 | 3,516 |
| Plumas | 717 | .4 | 23 | 64 | 37 | 395 |
| Riverside | 68,570 | 2.0 | 688 | 2,840 | 581 | 14,779 |
| Sacramento | 60,174 | 1.7 | 510 | 3,177 | 519 | 18,818 |
| San Benito | 976 | .6 | 11 | 50 | 18 | 410 |
| San Bernardino | 104,088 | 2.8 | 1,080 | 3,336 | 741 | 28,077 |
| San Diego | 185,928 | 2.0 | 1,853 | 10,280 | 1,330 | 40,007 |
| San Francisco | 175,888 | 4.1 | 130 | 976 | 568 | 30,734 |
| San Joaquin | 47,315 | 2.4 | 140 | 707 | 377 | 8,870 |
| San Luis Obispo | 10,284 | 1.0 | 183 | 438 | 198 | 5,548 |
| San Mateo | 180,870 | 2.7 | 173 | 1,206 | 251 | 18,186 |
| Santa Barbara | 47,198 | 2.7 | 103 | 1,136 | 217 | 11,000 |
| Santa Clara | 393,481 | 3.6 | 348 | 2,648 | 588 | 34,178 |
| Santa Cruz | 28,048 | 2.4 | 127 | 927 | 201 | 6,728 |
| Shasta | 9,030 | 1.4 | 148 | 580 | 130 | 3,503 |
| Sierra | 219 | .8 | 12 | 38 | 11 | 68 |
| Siskiyou | 3,788 | 1.1 | 154 | 150 | 110 | 977 |
| Solano | 16,180 | 1.5 | 387 | 2,713 | 208 | 4,118 |
| Sonoma | 19,431 | 1.2 | 241 | 1,201 | 207 | 6,088 |
| Stanislaus | 30,788 | 2.0 | 304 | 564 | 353 | 14,111 |
| Sutter | 4,828 | 1.3 | 48 | 210 | 81 | 2,410 |
| Tehama | 4,104 | 1.9 | 113 | 150 | 74 | 1,387 |
| Trinity | 330 | .5 | 36 | 53 | 18 | 198 |
| Tulare[d] | 13,398 | 1.2 | 190 | 442 | 488 | 8,516 |
| Tuolumne | 2,194 | 1.0 | 109 | 219 | 44 | 798 |
| Ventura | 41,894 | 1.5 | 103 | 1,488 | 323 | 11,733 |
| Yolo | 7,301 | 1.1 | 97 | 248 | 93 | 2,149 |
| Yuba[d] | 4,013 | 2.5 | 91 | 277 | 66 | 1,318 |
| Totals | $2,894,406 | 2.2 | 14,110 | $93,507 | 17,106 | $957,873 |

[a] Includes all exempt values for which exemption claims are required except those arising from the homeowners', cemetery, and nonmotor vehicle exemption laws. Does not include the partial inventory exemption (for which the annual property statements constitute exemption claims for those filing them).

[b] The tax base includes values of homeowners' and business inventory exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

[c] Blind and disabled veterans included in these figures numbered 7,885 with an exempt value of $83,551,000. Comparable figures for 1978-79 were 6,988 and $64,968,000.

## TABLE 8—NUMBER AND ASSESSED VALUE OF VETERANS', CHURCH, COLLEGE, AND WELFARE EXEMPTIONS, 1979–80—Concluded

(Assessed values in thousands of dollars)

| County | College exemptions: private non-profit | | Welfare exemptions | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Schools below college grade: private non-profit | | Hospitals: private non-profit | | Other charitable properties [a] | |
| | Number | Assessed value | Number | Assessed value | Number | Assessed value | Number | Assessed value |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Alameda | 26 | $12,035 | 52 | $12,438 | 15 | $35,090 | 406 | $49,966 |
| Alpine | – | – | – | – | – | – | 2 | 40 |
| Amador | – | – | – | – | – | – | 28 | 356 |
| Butte | – | – | 9 | 1,990 | 3 | 3,507 | 54 | 2,048 |
| Calaveras | – | – | – | – | – | – | 16 | 447 |
| Colusa | – | – | 1 | 50 | 1 | 1,324 | – | – |
| Contra Costa | 3 | 5,254 | 57 | 6,720 | 10 | 9,871 | 113 | 5,947 |
| Del Norte | – | – | 5 | 240 | – | – | 18 | 177 |
| El Dorado | 2 | 129 | 4 | 240 | 2 | 2,229 | 45 | 819 |
| Fresno | 7 | 1,225 | 45 | 3,317 | 15 | 20,390 | 199 | 15,362 |
| Glenn | – | – | 2 | 55 | – | – | 1 | 7 |
| Humboldt | – | – | 13 | 1,238 | 5 | 3,135 | 86 | 1,160 |
| Imperial | – | – | 11 | 486 | – | – | 30 | 584 |
| Inyo | 1 | 129 | 12 | 169 | – | – | 26 | 302 |
| Kern | – | – | 19 | 2,018 | 7 | 15,503 | 82 | 4,186 |
| Kings | – | – | 3 | 525 | 2 | 1,758 | 43 | 971 |
| Lake | – | – | 2 | 38 | 1 | 681 | 9 | 371 |
| Lassen | – | – | – | – | – | – | 3 | 24 |
| Los Angeles | 74 | 156,861 | 353 | 82,084 | 115 | 297,041 | 2,601 | 269,062 |
| Madera | – | – | 7 | 125 | 2 | 1,096 | 26 | 396 |
| Marin | 12 | 6,614 | 52 | 6,173 | 2 | 3,338 | 175 | 11,311 |
| Mariposa | – | – | – | – | – | – | 14 | 268 |
| Mendocino | 1 | 39 | 9 | 485 | 2 | 174 | 79 | 2,467 |
| Merced | – | – | 16 | 826 | 2 | 2,841 | 29 | 584 |
| Modoc | – | – | – | – | – | – | 1 | 3 |
| Mono | – | – | – | – | – | – | 4 | 29 |
| Monterey | 9 | 373 | 15 | 2,979 | 5 | 5,249 | 99 | 7,926 |
| Napa | 6 | 4,770 | 18 | 2,431 | 6 | 5,641 | 41 | 1,746 |
| Nevada | – | – | 12 | 172 | 3 | 892 | 64 | 718 |
| Orange | 13 | 8,680 | 203 | 21,738 | 9 | 43,975 | 411 | 43,507 |
| Placer | – | – | 15 | 390 | 6 | 4,590 | 103 | 1,543 |
| Plumas | – | – | 1 | 40 | – | – | 14 | 228 |
| Riverside | 34 | 6,632 | 79 | 4,093 | 29 | 17,937 | 404 | 23,219 |
| Sacramento | 1 | 600 | 86 | 8,152 | 14 | 16,503 | 346 | 9,510 |
| San Benito | – | – | 7 | 342 | – | – | 5 | 174 |
| San Bernardino | 3 | 24,807 | 66 | 4,982 | 8 | 23,042 | 309 | 19,801 |
| San Diego | 45 | 15,625 | 299 | 13,105 | 35 | 52,539 | 825 | 45,343 |
| San Francisco | 47 | 18,693 | 224 | 27,896 | 61 | 51,050 | 405 | 49,618 |
| San Joaquin | 15 | 15,725 | 31 | 2,168 | 10 | 11,387 | 129 | 8,998 |
| San Luis Obispo | – | – | 23 | 760 | – | – | 60 | 3,614 |
| San Mateo | 6 | 43,406 | 78 | 13,202 | 4 | 17,823 | 240 | 26,863 |
| Santa Barbara | 3 | 3,343 | 46 | 9,058 | 5 | 7,098 | 161 | 13,531 |
| Santa Clara | 12 | 163,282 | 70 | 13,430 | 10 | 31,910 | 325 | 37,985 |
| Santa Cruz | 49 | 774 | 12 | 186 | 4 | 6,006 | 349 | 10,739 |
| Shasta | – | – | 19 | 956 | 1 | 3,327 | 37 | 643 |
| Sierra | – | – | – | – | – | – | 6 | 131 |
| Siskiyou | – | – | – | – | 4 | 1,151 | 23 | 427 |
| Solano | – | – | 32 | 2,153 | 17 | 6,641 | 32 | 544 |
| Sonoma | – | – | 24 | 2,502 | 1 | 1,954 | 186 | 6,886 |
| Stanislaus | – | – | 15 | 1,886 | 5 | 7,492 | 102 | 5,675 |
| Sutter | – | – | 13 | 402 | 3 | 1,564 | 19 | 240 |
| Tehama | – | – | 6 | 284 | 2 | 1,992 | 11 | 351 |
| Trinity | – | – | 1 | 25 | – | – | 3 | 39 |
| Tulare | – | – | 8 | 448 | 12 | 809 | 78 | 2,940 |
| Tuolumne | 2 | 5 | 1 | 26 | 1 | 481 | 24 | 656 |
| Ventura | 13 | 4,430 | 30 | 3,651 | 13 | 10,078 | 228 | 10,457 |
| Yolo | – | – | 8 | 580 | 1 | 2,381 | 71 | 1,846 |
| Yuba | – | – | – | – | 3 | 2,181 | 31 | 825 |
| Totals | 387 | $493,530 | 2,116 | $236,360 | 476 | $733,424 | 9,503 | $703,702 |

[a] An additional exemption enacted by the legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt real property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $400. Five counties adopted ordinances which exempted the following amounts on the 1979 rolls: Butte, $888,000; Fresno, $108,000; Humboldt, $84,000; Tulare, $114,000; and Yuba, $13,000.

[b] General welfare agencies, youth service agencies, orphanages, and religious properties other than churches.

## TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1979–80

(Assessed values in thousands of dollars)

| County | Gross assessed value | Number of homeowners' exemptions | Exempt value | | | Taxable assessed value (net of all exemptions) |
|---|---|---|---|---|---|---|
| | | | Homeowners' | Business inventory [a] | All other | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Alameda | $5,837,811 | 204,484 | $357,594 | $273,779 | $140,952 | $5,065,486 |
| Alpine | 19,106 | 138 | 238 | 65 | 64 | 18,739 |
| Amador | 150,300 | 4,285 | 7,456 | 2,805 | 922 | 139,117 |
| Butte | 738,811 | 27,869 | 48,473 | 20,807 | 11,682 | 657,849 |
| Calaveras | 157,102 | 4,655 | 8,119 | 1,673 | 1,161 | 146,149 |
| Colusa | 170,381 | 2,576 | 4,441 | 5,797 | 1,933 | 158,210 |
| Contra Costa | 4,431,279 | 144,611 | 252,795 | 144,598 | 50,583 | 3,983,303 |
| Del Norte | 94,870 | 3,397 | 5,771 | 10,723 | 1,209 | 77,167 |
| El Dorado | 628,742 | 15,267 | 26,512 | 6,296 | 5,453 | 590,481 |
| Fresno | 3,076,643 | 85,128 | 148,574 | 145,846 | 62,036 | 2,720,187 |
| Glenn | 194,692 | 4,248 | 7,369 | 7,759 | 1,312 | 178,252 |
| Humboldt | 586,255 | 19,992 | 34,731 | 41,349 | 9,215 | 502,960 |
| Imperial | 426,603 | 13,084 | 22,277 | 13,271 | 4,546 | 386,509 |
| Inyo | 152,235 | 2,649 | 4,566 | 2,270 | 1,571 | 143,826 |
| Kern | 3,616,313 | 67,108 | 117,438 | 67,315 | 41,657 | 3,389,903 |
| Kings | 399,944 | 11,679 | 20,086 | 22,121 | 5,730 | 352,007 |
| Lake | 226,884 | 8,799 | 15,055 | 1,646 | 2,145 | 208,037 |
| Lassen | 107,509 | 4,076 | 6,989 | 2,954 | 807 | 96,779 |
| Los Angeles | 40,215,175 | 1,134,665 | 1,983,807 | 1,922,842 | 999,837 | 35,308,689 |
| Madera | 416,903 | 9,907 | 16,979 | 18,119 | 3,754 | 378,051 |
| Marin | 1,662,451 | 47,752 | 83,501 | 17,726 | 35,384 | 1,525,838 |
| Mariposa | 72,294 | 1,988 | 3,389 | 656 | 438 | 67,811 |
| Mendocino | 406,003 | 12,168 | 21,240 | 19,255 | 4,791 | 360,717 |
| Merced | 736,358 | 21,546 | 37,381 | 40,327 | 9,014 | 649,636 |
| Modoc | 84,548 | 1,999 | 3,395 | 2,166 | 191 | 78,796 |
| Mono | 128,000 | 1,124 | 1,961 | 970 | 96 | 125,033 |
| Monterey | 1,657,802 | 41,605 | 72,792 | 39,202 | 24,618 | 1,521,190 |
| Napa | 589,440 | 18,796 | 32,867 | 17,693 | 19,279 | 519,601 |
| Nevada | 329,482 | 10,672 | 18,568 | 4,346 | 3,299 | 303,269 |
| Orange | 12,245,172 | 340,015 | 591,991 | 437,349 | 156,131 | 11,059,701 |
| Placer | 792,193 | 24,502 | 42,771 | 15,581 | 10,444 | 723,397 |
| Plumas | 192,645 | 3,563 | 6,168 | 4,312 | 715 | 181,450 |
| Riverside | 3,571,935 | 118,965 | 206,435 | 81,974 | 68,500 | 3,215,026 |
| Sacramento | 3,528,240 | 152,295 | 266,439 | 105,783 | 30,144 | 3,095,874 |
| San Benito | 156,240 | 3,841 | 6,554 | 6,547 | 923 | 142,216 |
| San Bernardino | 4,154,968 | 158,173 | 275,745 | 129,894 | 103,766 | 3,645,583 |
| San Diego | 9,703,825 | 301,487 | 527,172 | 215,571 | 185,579 | 8,775,503 |
| San Francisco | 4,537,031 | 95,466 | 166,944 | 90,894 | 178,870 | 4,100,323 |
| San Joaquin | 1,985,861 | 63,796 | 111,450 | 125,278 | 47,313 | 1,701,820 |
| San Luis Obispo | 1,056,041 | 25,696 | 44,788 | 16,092 | 10,345 | 984,816 |
| San Mateo | 4,519,707 | 121,110 | 211,941 | 123,014 | 120,669 | 4,064,083 |
| Santa Barbara | 1,808,858 | 47,968 | 83,944 | 38,227 | 47,092 | 1,639,595 |
| Santa Clara | 8,110,822 | 235,131 | 411,479 | 395,961 | 281,644 | 7,021,738 |
| Santa Cruz | 1,049,800 | 34,200 | 57,657 | 22,047 | 25,114 | 944,982 |
| Shasta | 647,100 | 21,353 | 37,053 | 18,911 | 9,066 | 582,050 |
| Sierra | 28,753 | 657 | 1,149 | 444 | 249 | 26,913 |
| Siskiyou | 250,795 | 8,382 | 14,377 | 10,615 | 2,704 | 223,099 |
| Solano | 1,068,066 | 41,772 | 73,075 | 29,311 | 16,254 | 949,426 |
| Sonoma | 1,706,359 | 58,271 | 101,973 | 48,501 | 19,430 | 1,536,453 |
| Stanislaus | 1,527,016 | 49,769 | 86,895 | 95,861 | 29,717 | 1,314,523 |
| Sutter | 372,992 | 9,586 | 16,751 | 12,658 | 4,822 | 338,761 |
| Tehama | 218,082 | 8,261 | 14,136 | 7,262 | 4,105 | 192,559 |
| Trinity | 67,460 | 2,190 | 3,852 | 1,696 | 305 | 61,625 |
| Tulare | 1,106,668 | 40,344 | 69,616 | 63,259 | 12,464 | 961,329 |
| Tuolumne | 213,008 | 6,853 | 11,815 | 3,450 | 2,183 | 195,560 |
| Ventura | 2,915,532 | 88,812 | 155,153 | 56,279 | 42,327 | 2,661,773 |
| Yolo | 676,419 | 19,262 | 32,331 | 31,150 | 7,301 | 606,637 |
| Yuba | 187,818 | 7,168 | 12,370 | 5,478 | 2,696 | 167,275 |
| Totals | $135,715,402 | 4,015,155 | $7,006,348 | $5,047,799 | $2,894,571 | $120,766,684 |

[a] Includes $80,831,000 on state-assessed property and $4,966,968,000 on county-assessed property.

Note: These are the values as certified to the Board on the filing date. Additions and deletions to the tax rolls are now allowable throughout the year. These could alter the roll substantially in some counties.

## TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1979–80

(In thousands of dollars)

| County | Secured valuations | | | Unsecured valuations (local only) [b] | Total assessed value |
|---|---|---|---|---|---|
| | State-assessed | Locally assessed | Total | | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Alameda | $290,956 | $4,692,407 | $4,983,363 | $713,496 | $5,696,859 |
| Alpine | 2,383 | 13,534 | 15,917 | 3,125 | 19,042 |
| Amador | 27,216 | 111,540 | 138,756 | 10,622 | 149,378 |
| Butte | 69,570 | 607,023 | 676,593 | 50,536 | 727,129 |
| Calaveras | 13,888 | 136,147 | 150,035 | 5,906 | 155,941 |
| Colusa | 12,770 | 140,306 | 153,076 | 15,372 | 168,448 |
| Contra Costa | 290,662 | 3,819,975 | 4,110,637 | 270,059 | 4,380,696 |
| Del Norte | 3,855 | 83,825 | 87,680 | 5,981 | 93,661 |
| El Dorado | 31,117 | 570,845 | 601,962 | 21,327 | 623,289 |
| Fresno | 289,355 | 2,471,529 | 2,760,884 | 253,723 | 3,014,607 |
| Glenn | 14,444 | 164,799 | 179,243 | 14,137 | 193,380 |
| Humboldt | 45,015 | 485,675 | 530,690 | 48,350 | 579,040 |
| Imperial | 22,984 | 349,422 | 372,406 | 49,651 | 422,057 |
| Inyo | 13,210 | 126,480 | 139,690 | 10,972 | 150,662 |
| Kern | 185,255 | 3,175,967 | 3,361,222 | 213,434 | 3,574,656 |
| Kings | 27,473 | 331,870 | 359,343 | 34,871 | 394,214 |
| Lake | 17,137 | 197,545 | 214,682 | 10,056 | 224,738 |
| Lassen | 13,010 | 88,084 | 101,094 | 5,608 | 106,702 |
| Los Angeles | 1,722,171 | 32,452,655 | 34,174,826 | 5,040,512 | 39,215,338 |
| Madera | 44,865 | 346,091 | 390,956 | 22,193 | 413,149 |
| Marin | 55,067 | 1,495,316 | 1,550,400 | 76,664 | 1,627,067 |
| Mariposa | 5,024 | 58,731 | 63,755 | 8,101 | 71,856 |
| Mendocino | 22,921 | 356,553 | 379,474 | 21,738 | 401,212 |
| Merced | 43,063 | 623,672 | 666,735 | 60,609 | 727,344 |
| Modoc | 9,689 | 70,591 | 80,280 | 4,077 | 84,357 |
| Mono | 7,998 | 108,966 | 116,964 | 11,000 | 127,964 |
| Monterey | 140,124 | 1,377,689 | 1,517,813 | 115,371 | 1,633,184 |
| Napa | 21,885 | 521,478 | 543,363 | 26,798 | 570,161 |
| Nevada | 25,916 | 285,650 | 311,566 | 14,617 | 326,183 |
| Orange | 406,102 | 10,345,886 | 10,753,988 | 1,335,053 | 12,089,041 |
| Placer | 63,189 | 680,130 | 743,319 | 38,430 | 781,749 |
| Plumas | 69,081 | 115,205 | 184,286 | 7,644 | 191,930 |
| Riverside | 179,521 | 3,125,446 | 3,304,967 | 198,468 | 3,503,435 |
| Sacramento | 181,161 | 2,974,857 | 3,156,018 | 312,078 | 3,468,096 |
| San Benito | 12,079 | 130,894 | 142,973 | 12,344 | 155,317 |
| San Bernardino | 407,311 | 3,307,719 | 3,715,030 | 336,192 | 4,051,222 |
| San Diego | 693,992 | 7,956,607 | 8,650,599 | 867,647 | 9,518,246 |
| San Francisco | 303,904 | 3,561,634 | 3,865,538 | 492,623 | 4,358,161 |
| San Joaquin | 143,465 | 1,598,391 | 1,741,856 | 196,692 | 1,938,548 |
| San Luis Obispo | 263,032 | 740,273 | 1,003,305 | 42,391 | 1,045,696 |
| San Mateo | 136,777 | 3,623,857 | 3,760,634 | 636,404 | 4,399,038 |
| Santa Barbara | 82,409 | 1,514,027 | 1,596,436 | 165,330 | 1,761,766 |
| Santa Clara | 256,631 | 6,463,074 | 6,719,705 | 1,109,473 | 7,829,178 |
| Santa Cruz | 34,955 | 928,517 | 963,472 | 61,214 | 1,024,686 |
| Shasta | 112,642 | 484,125 | 596,767 | 41,247 | 638,014 |
| Sierra | 2,891 | 23,194 | 26,085 | 2,421 | 28,506 |
| Siskiyou | 28,994 | 200,101 | 229,095 | 18,996 | 248,091 |
| Solano | 59,366 | 910,882 | 970,248 | 81,564 | 1,051,812 |
| Sonoma | 102,939 | 1,470,736 | 1,573,675 | 113,254 | 1,686,929 |
| Stanislaus | 55,106 | 1,297,399 | 1,352,505 | 144,794 | 1,497,299 |
| Sutter | 19,705 | 316,534 | 336,239 | 31,931 | 368,170 |
| Tehama | 23,732 | 180,383 | 204,115 | 9,842 | 213,957 |
| Trinity | 6,830 | 54,541 | 61,371 | 5,784 | 67,155 |
| Tulare | 76,184 | 911,182 | 987,366 | 106,838 | 1,094,204 |
| Tuolumne | 19,546 | 176,082 | 195,628 | 15,197 | 210,825 |
| Ventura | 170,094 | 2,492,856 | 2,662,950 | 210,255 | 2,873,205 |
| Yolo | 38,380 | 359,268 | 397,648 | 71,470 | 669,118 |
| Yuba | 17,773 | 156,074 | 173,847 | 11,276 | 185,123 |
| Totals | $7,440,834 | $111,564,239 | $119,005,073 | $13,815,758 | $132,820,831 |

[a] Includes values of homeowners' and business inventory exemptions but excludes "all other" exemptions.

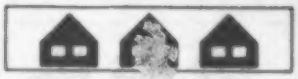
[b] All state-assessed property is on the secured roll.

Note: These are the values as certified to the Board on the filing date. Additions and deletions to the tax rolls are now allowable throughout the year. These could alter the roll substantially in some counties.

## TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF HOMEOWNERS' AND BUSINESS INVENTORY EXEMPTIONS, BY INCORPORATED CITIES, 1979–80

(In thousands of dollars)

| City | Assessed value | | City | Assessed value | | City | Assessed value | |
|---|---|---|---|---|---|---|---|---|
| | State | Local | | State | Local | | State | Local |
| 1 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 |
| Adelanto | 1,744 | 5,957 | Chowchilla | 961 | 16,017 | Fort Bragg | 1,232 | 32,380 |
| Alameda | 5,679 | 271,366 | Chula Vista | 45,649 | 362,000 | Fort Jones | 432 | 1,551 |
| Albany | 3,315 | 64,286 | Claremont | 6,951 | 117,080 | Fortuna | 1,222 | 26,540 |
| Alhambra | 24,163 | 242,379 | Clayton | 426 | 24,696 | Foster City | 2,068 | 166,748 |
| Alturas | 846 | 9,743 | Cloverdale | 617 | 11,641 | Fountain Valley | 5,167 | 267,694 |
| Amador | 57 | 321 | Clovis | 5,995 | 116,518 | Fowler | 764 | 7,870 |
| Anaheim | 55,773 | 1,303,823 | Coachella | 1,021 | 16,775 | Fremont | 24,781 | 698,798 |
| Anderson | 1,294 | 24,237 | Coalinga | 877 | 17,474 | Fresno | 51,306 | 903,420 |
| Angels | 977 | 6,744 | Colfax | 674 | 4,004 | Fullerton | 16,589 | 627,835 |
| Antioch | 6,322 | 156,174 | Coloma | 582 | 10,800 | Galt | 625 | 13,249 |
| Arcadia | 6,571 | 295,225 | Colton | 7,857 | 69,966 | Gardena | 4,687 | 206,435 |
| Arcata | 2,165 | 49,407 | Colusa | 1,361 | 13,453 | Garden Grove | 15,317 | 487,991 |
| Arroyo Grande | 1,982 | 43,812 | Commerce | 34,277 | 455,069 | Gilroy | 4,165 | 94,406 |
| Artesia | 4,892 | 45,696 | Compton | 19,009 | 220,589 | Glendale | 17,515 | 710,295 |
| Arvin | 605 | 10,023 | Concord | 26,779 | 504,843 | Glendora | 5,298 | 154,405 |
| Atherton | 1,686 | 94,520 | Corcoran | 923 | 15,207 | Gonzales | 506 | 11,374 |
| Atwater | 2,227 | 35,987 | Corning | 832 | 13,182 | Grand Terrace | 7,760 | 28,217 |
| Auburn | 4,709 | 40,363 | Corona | 9,066 | 164,167 | Grass Valley | 2,533 | 23,322 |
| Avalon | 814 | 20,665 | Coronado | 3,852 | 137,495 | Greenfield | 381 | 6,553 |
| Azusa | 3,491 | 121,841 | Corte Madera | 1,128 | 39,087 | Gridley | 716 | 11,472 |
| Bakersfield | 28,534 | 482,788 | Costa Mesa | 11,596 | 522,722 | Grover City | 779 | 27,369 |
| Baldwin Park | 7,104 | 100,097 | Cotati | 501 | 12,506 | Guadalupe | 596 | 4,968 |
| Banning | 2,401 | 35,016 | Covina | 11,107 | 155,929 | Gustine | 469 | 11,713 |
| Barstow | 10,907 | 47,457 | Crescent City | 1,342 | 16,118 | Half Moon Bay | 1,436 | 43,755 |
| Beaumont | 1,575 | 19,719 | Cudahy | 703 | 25,844 | Hanford | 4,457 | 65,807 |
| Bell | 4,415 | 55,228 | Culver City | 13,472 | 306,074 | Hawaiian Gardens | 824 | 21,180 |
| Bellflower | 8,594 | 164,005 | Cupertino | 4,077 | 252,738 | Hawthorne | 12,464 | 310,708 |
| Bell Gardens | 4,311 | 51,503 | Cypress | 10,845 | 159,278 | Hayward | 27,408 | 551,042 |
| Belmont | 2,463 | 154,110 | Daly City | 10,873 | 300,605 | Healdsburg | 1,609 | 38,577 |
| Belvedere | 958 | 35,629 | Davis | 6,110 | 149,168 | Hemet | 5,630 | 92,873 |
| Benicia | 2,965 | 148,329 | Delano | 2,214 | 31,132 | Hercules | 6,088 | 44,897 |
| Berkeley | 16,155 | 443,083 | Del Mar | 1,010 | 40,891 | Hermosa Beach | 5,206 | 118,705 |
| Beverly Hills | 15,677 | 640,242 | Del Rey Oaks | 258 | 6,838 | Hidden Hills | 200 | 19,178 |
| Biggs | 284 | 3,862 | Desert Hot Springs | 1,460 | 28,276 | Hillsborough | 1,724 | 159,908 |
| Bishop | 2,226 | 22,495 | Dinuba | 1,401 | 24,510 | Hollister | 1,772 | 42,918 |
| Blue Lake | 256 | 2,818 | Dixon | 1,236 | 26,226 | Holtville | 482 | 9,205 |
| Blythe | 3,015 | 22,212 | Dorris | 176 | 1,689 | Hughson | 377 | 7,648 |
| Bradbury | 108 | 7,799 | Dos Palos | 719 | 8,715 | Huntington Beach | 60,434 | 933,944 |
| Brawley | 1,371 | 32,843 | Downey | 16,859 | 374,869 | Huntington Park | 10,469 | 105,847 |
| Brea | 4,399 | 213,790 | Duarte | 1,529 | 50,517 | Huron | 343 | 3,500 |
| Brentwood | 841 | 10,988 | Dunsmuir | 883 | 6,275 | Imperial | 570 | 8,534 |
| Brisbane | 10,147 | 21,668 | El Cajon | 11,665 | 337,257 | Imperial Beach | 2,833 | 55,825 |
| Buena Park | 13,380 | 368,694 | El Centro | 4,184 | 70,836 | Indian Wells | 840 | 52,896 |
| Burbank | 12,537 | 652,748 | El Cerrito | 3,499 | 103,460 | Indio | 4,978 | 69,514 |
| Burlingame | 12,441 | 259,200 | El Monte | 14,084 | 232,327 | Industry | 10,842 | 350,883 |
| Calexico | 1,163 | 31,655 | El Segundo | 40,956 | 489,617 | Inglewood | 12,780 | 293,624 |
| California City | 1,008 | 34,438 | Emeryville | 6,267 | 94,128 | Ione | 472 | 4,200 |
| Calipatria | 405 | 5,035 | Escalon | 626 | 11,439 | Irvine | 24,439 | 793,274 |
| Calistoga | 701 | 14,860 | Escondido | 14,328 | 283,499 | Irwindale | 4,791 | 53,453 |
| Camarillo | 5,641 | 199,016 | Etna | 192 | 1,641 | Isleton | 274 | 1,829 |
| Campbell | 2,700 | 149,056 | Eureka | 6,946 | 109,794 | Jackson | 1,110 | 10,346 |
| Capitola | 2,121 | 49,685 | Exeter | 1,139 | 15,092 | Kerman | 599 | 11,483 |
| Carlsbad | 61,321 | 267,685 | Fairfax | 620 | 39,857 | King City | 1,066 | 22,602 |
| Carmel | 1,619 | 59,243 | Fairfield | 10,064 | 214,350 | Kingsburg | 700 | 19,928 |
| Carpinteria | 2,137 | 55,066 | Farmersville | 464 | 7,274 | La Canada Flintridge | 3,943 | 140,883 |
| Carson | 13,516 | 715,897 | Ferndale | 262 | 4,567 | Lafayette | 3,856 | 149,315 |
| Ceres | 1,933 | 42,505 | Fillmore | 1,199 | 24,443 | Laguna Beach | 4,290 | 165,563 |
| Cerritos | 9,006 | 328,833 | Firebaugh | 594 | 9,273 | La Habra | 7,503 | 199,866 |
| Chico | 10,204 | 110,625 | Folsom | 2,681 | 32,502 | La Habra Heights | 1,960 | 40,152 |
| Chino | 6,879 | 138,568 | Fontana | 6,316 | 92,149 | Lake Elsinore | 1,778 | 22,109 |



## TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF HOMEOWNERS' AND BUSINESS INVENTORY EXEMPTIONS, BY INCORPORATED CITIES, 1979–80—Continued

(In thousands of dollars)

| City | Assessed value | | City | Assessed value | | City | Assessed value | |
|---|---|---|---|---|---|---|---|---|
| | State | Local | | State | Local | | State | Local |
| 1 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 |
| Lakeport | 1,896 | 16,998 | Needles | 1,885 | 10,965 | Rio Dell | 321 | 5,597 |
| Lakewood | 7,993 | 299,130 | Nevada City | 642 | 9,299 | Rio Vista | 780 | 14,290 |
| La Mesa | 9,965 | 226,501 | Newark | 2,876 | 155,445 | Ripon | 633 | 23,339 |
| La Mirada | 4,240 | 232,718 | Newman | 339 | 8,340 | Riverbank | 828 | 28,535 |
| Lancaster | 9,757 | 160,160 | Newport Beach | 10,704 | 573,474 | Riverside | 23,692 | 716,362 |
| La Palma | 1,367 | 75,056 | Norco | 2,261 | 76,008 | Rocklin | 2,905 | 34,926 |
| La Puente | 6,570 | 65,369 | Norwalk | 15,081 | 226,518 | Rohnert Park | 2,845 | 89,958 |
| Larkspur | 3,087 | 88,475 | Novato | 7,988 | 215,430 | Rolling Hills | 481 | 34,704 |
| La Verne | 3,528 | 96,022 | Oakdale | 1,634 | 53,114 | Rolling Hills Estates | 1,011 | 83,138 |
| Lawndale | 1,843 | 74,880 | Oakland | 133,326 | 1,471,205 | Rosemead | 18,172 | 106,595 |
| Lemon Grove | 3,280 | 69,194 | Oceanside | 15,794 | 311,790 | Roseville | 10,789 | 97,859 |
| Lemoore | 981 | 30,612 | Ojai | 1,638 | 34,377 | Ross | 362 | 27,747 |
| Lincoln | 872 | 9,495 | Ontario | 22,058 | 333,792 | Sacramento | 89,816 | 1,178,306 |
| Lindsay | 1,362 | 27,159 | Orange | 24,430 | 531,010 | St. Helena | 1,313 | 38,723 |
| Live Oak | 592 | 6,098 | Orange Cove | 369 | 6,821 | Salinas | 15,369 | 321,446 |
| Livermore | 8,663 | 196,752 | Orland | 843 | 17,042 | San Anselmo | 1,085 | 72,753 |
| Livingston | 777 | 14,710 | Oroville | 2,956 | 42,894 | San Bernardino | 47,856 | 368,205 |
| Lodi | 5,062 | 166,303 | Oxnard | 68,776 | 411,676 | San Bruno | 11,007 | 190,024 |
| Loma Linda | 2,254 | 39,711 | Pacifica | 4,577 | 146,882 | San Carlos | 5,964 | 221,134 |
| Lomita | 4,021 | 68,749 | Pacific Grove | 1,410 | 70,107 | San Clemente | 5,173 | 183,576 |
| Lompoc | 2,609 | 75,386 | Palmdale | 5,100 | 111,793 | Sand City | 101 | 3,964 |
| Long Beach | 157,720 | 1,813,639 | Palm Desert | 3,823 | 138,723 | San Diego | 213,467 | 4,177,174 |
| Los Alamitos | 1,907 | 57,985 | Palm Springs | 12,587 | 374,799 | San Dimas | 4,672 | 104,405 |
| Los Altos | 3,862 | 193,428 | Palo Alto | 19,133 | 574,305 | San Fernando | 3,448 | 59,670 |
| Los Altos Hills | 1,177 | 76,296 | Palos Verdes Estates | 2,290 | 160,466 | San Francisco | 303,904 | 4,054,257 |
| Los Angeles | 563,626 | 14,443,741 | Paramount | 7,095 | 142,991 | San Gabriel | 4,239 | 116,809 |
| Los Banos | 1,730 | 35,876 | Parlier | 416 | 4,296 | Sanger | 1,903 | 37,302 |
| Los Gatos | 5,734 | 167,241 | Pasadena | 27,293 | 398,075 | San Jacinto | 955 | 17,380 |
| Loyalton | 146 | 2,069 | Paso Robles | 2,144 | 40,375 | San Joaquin | 280 | 2,856 |
| Lynwood | 2,918 | 115,766 | Patterson | 714 | 14,534 | San Jose | 112,685 | 2,951,125 |
| Madera | 3,390 | 53,765 | Perris | 4,321 | 17,428 | San Juan Bautista | 259 | 3,891 |
| Manhattan Beach | 3,893 | 243,081 | Petaluma | 5,601 | 141,295 | San Juan Capistrano | 4,955 | 117,003 |
| Manteca | 4,251 | 75,790 | Pico Rivera | 9,043 | 189,441 | San Leandro | 25,138 | 515,515 |
| Maricopa | 193 | 1,264 | Piedmont | 961 | 80,362 | San Luis Obispo | 8,707 | 155,841 |
| Marina | 1,685 | 41,182 | Pinole | 1,692 | 57,844 | San Marcos | 4,153 | 103,849 |
| Martinez | 8,011 | 137,628 | Piumo Beach | 1,012 | 33,901 | San Marino | 1,306 | 121,989 |
| Marysville | 4,710 | 44,021 | Pittsburg | 4,789 | 112,825 | San Mateo | 16,717 | 525,692 |
| Maywood | 663 | 30,985 | Placentia | 6,331 | 158,538 | San Pablo | 2,063 | 53,388 |
| McFarland | 600 | 6,996 | Placerville | 2,776 | 32,653 | San Rafael | 17,336 | 337,789 |
| Mendota | 500 | 7,022 | Pleasant Hill | 3,340 | 137,589 | Santa Ana | 39,649 | 945,468 |
| Menlo Park | 7,001 | 262,874 | Pleasanton | 5,301 | 178,656 | Santa Barbara | 17,852 | 456,550 |
| Merced | 8,386 | 148,930 | Plymouth | 243 | 1,105 | Santa Clara | 20,447 | 742,772 |
| Millbrae | 4,363 | 135,886 | Point Arena | 201 | 1,291 | Santa Cruz | 7,953 | 223,810 |
| Mill Valley | 3,716 | 100,514 | Pomona | 25,362 | 275,086 | Santa Fe Springs | 10,430 | 398,777 |
| Milpitas | 6,259 | 187,610 | Porterville | 3,637 | 66,754 | Santa Maria | 7,390 | 175,845 |
| Modesto | 18,660 | 493,967 | Port Hueneme | 2,345 | 63,284 | Santa Monica | 30,815 | 622,902 |
| Monrovia | 6,855 | 130,842 | Portola | 841 | 5,174 | Santa Paula | 2,687 | 58,196 |
| Montague | 295 | 2,540 | Portola Valley | 776 | 44,274 | Santa Rosa | 26,141 | 425,469 |
| Montclair | 3,064 | 84,610 | Rancho Cucamonga | 37,231 | 286,089 | Saratoga | 3,783 | 206,293 |
| Monte Sereno | 384 | 25,719 | Rancho Mirage | 2,434 | 143,401 | Sausalito | 1,673 | 81,882 |
| Montebello | 20,018 | 236,306 | Rancho Palos Verdes | 7,127 | 288,108 | Scotts Valley | 1,648 | 34,964 |
| Monterey | 9,537 | 167,396 | Red Bluff | 2,919 | 32,645 | Seal Beach | 7,447 | 166,127 |
| Monterey Park | 9,183 | 210,352 | Redding | 11,666 | 201,733 | Seaside | 2,772 | 58,430 |
| Moraga | 2,396 | 99,618 | Redlands | 10,748 | 160,779 | Sebastopol | 1,405 | 28,061 |
| Morgan Hill | 4,269 | 83,909 | Redondo Beach | 51,950 | 354,632 | Selma | 1,865 | 31,235 |
| Morro Bay | 32,129 | 51,254 | Redwood City | 18,495 | 343,742 | Shafter | 857 | 13,757 |
| Mountain View | 12,606 | 410,794 | Reedley | 2,333 | 33,270 | Sierra Madre | 1,842 | 45,436 |
| Mount Shasta | 703 | 12,305 | Rialto | 9,547 | 107,945 | Signal Hill | 2,232 | 109,730 |
| Napa | 8,793 | 206,627 | Richmond | 20,982 | 582,531 | Simi Valley | 10,305 | 298,418 |
| National City | 7,225 | 143,469 | Ridgecrest | 4,271 | 54,273 | Soledad | 889 | 7,883 |

## TABLE 11—ASSESSED VALUE [a] OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF HOMEOWNERS' AND BUSINESS INVENTORY EXEMPTIONS, BY INCORPORATED CITIES, 1979–80—Concluded

(In thousands of dollars)

| City | Assessed value | | City | Assessed value | | City | Assessed value | |
|---|---|---|---|---|---|---|---|---|
| | State | Local | | State | Local | | State | Local |
| 1 | 2 | 3 | 1 | 2 | 3 | 1 | 2 | 3 |
| Sonoma | 865 | 34,693 | Trinidad | 143 | 2,290 | Waterford | 300 | 7,158 |
| Sonora | 2,794 | 17,832 | Tulare | 3,974 | 60,378 | Watsonville | 4,607 | 95,545 |
| South El Monte | 1,474 | 86,147 | Tulelake | 233 | 2,027 | Weed | 595 | 6,891 |
| South Gate | 8,505 | 258,737 | Turlock | 4,134 | 110,230 | West Covina | 6,476 | 324,207 |
| South Lake Tahoe | 4,302 | 180,052 | Tustin | 3,733 | 206,546 | Westminster | 14,144 | 285,666 |
| South Pasadena | 3,166 | 112,876 | Ukiah | 2,803 | 53,858 | Westmorland | 56 | 1,551 |
| South San Francisco | 8,570 | 436,877 | Union City | 6,165 | 201,973 | Wheatland | 323 | 2,966 |
| Stanton | 5,009 | 76,709 | Upland | 9,023 | 199,975 | Whittier | 15,280 | 331,261 |
| Stockton | 33,958 | 646,835 | Vacaville | 5,419 | 162,817 | Williams | 325 | 4,596 |
| Suisun | 1,061 | 33,110 | Vallejo | 10,613 | 225,065 | Willits | 1,174 | 21,945 |
| Sunnyvale | 22,483 | 861,052 | San Buenaventura | 16,313 | 361,573 | Willows | 1,273 | 15,459 |
| Susanville | 1,817 | 21,193 | Vernon | 9,301 | 457,409 | Winters | 502 | 8,514 |
| Sutter Creek | 455 | 5,760 | Victorville | 9,499 | 59,879 | Woodlake | 477 | 6,049 |
| Taft | 2,217 | 14,548 | Villa Park | 786 | 47,345 | Woodland | 4,392 | 133,278 |
| Tehachapi | 899 | 10,234 | Visalia | 12,452 | 222,807 | Woodside | 1,475 | 69,511 |
| Tehama | 88 | 904 | Vista | 6,725 | 144,250 | Yorba Linda | 4,589 | 143,278 |
| Temple City | 2,430 | 107,119 | Walnut | 3,009 | 56,475 | Yountville | 375 | 6,135 |
| Thousand Oaks | 16,282 | 483,780 | Walnut Creek | 13,252 | 405,069 | Yreka | 1,678 | 31,586 |
| Tiburon | 1,569 | 71,215 | Wasco | 1,037 | 15,414 | Yuba City | 4,383 | 88,210 |
| Torrance | 28,097 | 980,905 | | | | Grand totals | 4,378,446 | 91,149,129 |
| Tracy | 3,530 | 73,506 | | | | | | |

[a] These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' and the business inventory exemptions because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them. This treatment maintains the comparability of data in this series.

## TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1979–80

(In thousands of dollars)

| Type of company | Assessed value |
|---|---|
| 1 | 2 |
| UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE | |
| Telephone and telegraph | $3,199,043 |
| Gas and electric | 3,728,827 |
| Intercounty pipelines, flumes, canals, ditches, and aqueducts | 109,983 |
| Car | 6,014 |
| Express | – |
| Railroad | 397,027 |
| Total | $7,440,854 |
| UNDER PRIVATE CAR TAX LAW | |
| Private cars | $90,701 |
| Grand total | $7,531,535 |

## TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1979–80

(In thousands of dollars)

| Name of company | Assessed value |
|---|---|
| 1 | 2 |
| TELEPHONE AND TELEGRAPH COMPANIES | |
| American Satellite Corporation | $1,975 |
| American Telephone & Telegraph Long Lines | 57,635 |
| Calaveras Telephone Company | 288 |
| California-Oregon Telephone Company | 301 |
| Capay Valley Telephone System, Inc. | 237 |
| Citizens Utilities Company of California | 18,527 |
| Communications Satellite Corporation | 1,953 |
| Comsat General Corporation | 1,150 |
| Continental Telephone Company of California | 69,534 |
| Dorris Telephone Company | 163 |
| Ducor Telephone Company | 228 |
| Evans Telephone Company | 601 |
| Foresthill Telephone Company | 227 |
| General Telephone Company of California | 577,864 |
| G.T.E. Satellite Corporation | 3,675 |
| Happy Valley Telephone Company | 259 |
| Hornitos Telephone Company | 118 |
| I.T.T. World Communications, Inc. | 4,680 |
| Kerman Telephone Company | 569 |
| Livingston Telephone Company | 634 |
| Mariposa County Telephone Company, Inc. | 1,125 |
| M.C.I. Communications Corporation | 1,807 |
| Pacific Telephone & Telegraph Company | 2,386,120 |
| Ponderosa Telephone Company | 2,080 |
| R.C.A. American Communications Inc. | 4,250 |
| R.C.A. Global Communications, Inc. | 3,685 |
| R.C.A. Globcom Systems Inc. | 100 |
| Roseville Telephone Company | 11,532 |
| Sierra Telephone Company, Inc. | 2,376 |
| Siskiyou Telephone Company | 1,442 |
| Southern Pacific Communications Company | 8,685 |
| Tuolumne Telephone Company | 1,175 |
| Volcano Telephone Company | 1,682 |
| West Coast Telephone Company of California | 2,601 |
| Western Union International Inc. | 800 |
| Western Union Telegraph Company | 23,000 |
| Two Companies with an assessed value of less than $100,000 each | 77 |
| 51 Radio-telephone companies | 6,468 |
| Total for telephone and telegraph companies | $3,199,043 |

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1979–80—Continued

(In thousands of dollars)

| Name of company | Assessed value |
|---|---|
| 1 | 2 |
| **GAS AND ELECTRIC COMPANIES** | |
| Anza Electric Cooperative, Inc. | 9675 |
| C.P. National Corporation | 6,076 |
| Pacific Gas and Electric Company | 1,809,503 |
| Pacific Lighting Service Company | 85,339 |
| Pacific Power and Light Company | 15,630 |
| Plumas-Sierra Rural Electric Co-op | 1,250 |
| San Diego Gas and Electric Company | 341,351 |
| Sierra Pacific Power Company | 9,346 |
| Siskiyou Vangas | 112 |
| Southern California Edison Company | 1,160,842 |
| Southern California Gas Company | 838,765 |
| Southern California Water Company | 31,936 |
| Southwest Gas Corp. | 6,016 |
| Surprise Valley Electrification Corp. | 1,500 |
| Nine companies with an assessed value of less than $100,000 each | 396 |
| Total for gas and electric companies | $5,729,987 |
| **INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS** * | |
| Beacon Oil Company | 1045 |
| Calnev Pipe Line Company | 6,073 |
| Casitas Pipeline Company | 806 |
| Chevron U.S.A., Inc. | 7,381 |
| City of Riverside | 1,078 |
| Cuyama Pipeline Company | 494 |
| Dow Chemical Company, The | 1,450 |
| Exxon Pipeline Company | 225 |
| Four Corners Pipe Line Company | 14,075 |
| Getty Oil Company | 2,400 |
| Gulf Oil Corporation | 472 |
| Industrial Royalties Company | 6,483 |
| Kerr-McGee Chemical Corp. | 372 |
| Mobil Oil Corporation | 9,913 |
| Powerine Oil Company | 256 |
| Riverside Highland Water Company | 881 |
| San Diego Pipeline Company | 3,525 |
| San Luis Canal Company | 485 |
| Santa Clara Pipe Line Company | 5,980 |
| Shell Oil Company | 7,493 |
| Southern Pacific Pipe Lines, Inc. | 31,250 |
| Standard Pacific Gas Line, Inc. | 3,504 |
| Standard Pipe Line Company | 500 |
| Texaco, Inc. | 250 |
| Union Oil Company of California | 2,575 |
| West Riverside Canal | 131 |
| Three companies with an assessed value of less than $100,000 each | 106 |
| Total for intercounty pipe lines, etc. | $100,983 |

* All other taxable property owned by these companies is locally assessed.

## TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1979–80—Concluded

(In thousands of dollars)

| Name of company | Assessed value |
|---|---|
| 1 | 2 |
| CAR COMPANIES [b] | |
| ACF Industries, Inc., Shippers Car Line Division | $1 |
| General American Transportation Corp. | 415 |
| National Railroad Passenger Corp. (AMTRAK) | 3,341 |
| Pacific Fruit Express Co. | 2,239 |
| Union Tank Car Co. | 15 |
| Total for car companies | $6,014 |
| RAILROAD COMPANIES | |
| Alameda Belt Line | $546 |
| Almanor Railroad Co. | 938 |
| Amador Central Railroad Co. | 1,368 |
| Arcata and Mad River Rail Road Co. | 113 |
| Atchison, Topeka, & Santa Fe Railway Co. | 77,615 |
| Burlington Northern, Inc. | 618 |
| California Western Railroad | 127 |
| Camino, Placerville & Lake Tahoe Railroad Co. | 1,503 |
| Central California Traction Company | 903 |
| Holton Inter-Urban Railway Co. | 147 |
| Los Angeles Junction Railway Company | 2,089 |
| McCloud River Railroad Company | 4,499 |
| Modesto and Empire Traction Company | 2,706 |
| Northwestern Pacific Railroad Company | 6,361 |
| Oakland Terminal Railway, The | 261 |
| Petaluma and Santa Rosa Railroad Company | 409 |
| Quincy Railroad Co. | 136 |
| Sacramento Northern Railway | 1,880 |
| San Diego and Arizona Eastern Railroad Company | 1,931 |
| Santa Maria Valley Railroad Company | 790 |
| Sierra Railroad Company | 1,057 |
| Southern Pacific Transportation Company | $36,039 |
| Stockton Terminal and Eastern Railroad | 944 |
| Sunset Railway Company | 980 |
| Tidewater Southern Railway Company | 739 |
| Trona Railway Company | 1,216 |
| Union Pacific Corporation | 28,753 |
| Ventura County Railway Company | $80 |
| Visalia Electric Railroad Company | 230 |
| Western Pacific Railroad Company | 22,234 |
| Yreka Western Railroad Company | 197 |
| 8 companies with an assessed value of less than $100,000 each | 97 |
| Total for railroad companies | $397,027 |

[b] Property at fixed locations which is not subject to the private car tax.

[c] Excludes the value of private cars operated on the railroads, for which see Table 17A.

## TABLE 13—ASSESSMENT RATIOS, "COLLIER FACTORS", AND COEFFICIENTS OF DISPERSION

Determination of ratios was suspended by the Board in 1978–79 due to lack of data needed to ascertain the proper assessed values under Proposition 13 passed at the June 6, 1978 general election. Ratio calculation will be resumed upon establishment of a new data base reflecting Proposition 13 requirements. Since the coefficients of dispersion currently available to the Board are based upon pre-Proposition 13 assessment criteria, their publication has also been suspended until completion of new intercounty equalization surveys.

## TABLE 14—1978–79 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

| County | Net Taxable[a] Assessed Value | Property Tax Allocations and Levies[b] | | | | | Average Tax Rate Per $100 of Assessed Value | |
|---|---|---|---|---|---|---|---|---|
| | | City | County[c] | School[c] | Other[d] District | Total[d] | 1978–79 | 1977–78 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Alameda | 4,738,395 | 33,006 | 51,583 | 119,497 | 41,811 | 245,837 | 5.19 | 12.59 |
| Alpine | 17,078 | – | 530 | 156 | 43 | 729 | 4.27 | 4.98 |
| Amador | 118,156 | 184 | 1,718 | 3,111 | 109 | 5,122 | 4.33 | 7.89 |
| Butte | 586,694 | 945 | 5,460 | 17,096 | 2,124 | 25,625 | 4.37 | 8.27 |
| Calaveras | 127,505 | 46 | 1,134 | 4,150 | [illegible] | 5,970 | 4.68 | 9.05 |
| Colusa | 146,690 | 244 | 1,946 | 3,592 | [illegible] | 6,311 | 4.30 | 6.33 |
| Contra Costa | 3,696,502 | 14,271 | 36,168 | 95,131 | 38,752 | 184,322 | 4.99 | 11.19 |
| Del Norte | 69,813 | 42 | 877 | 1,816 | 207 | 2,942 | 4.21 | 7.71 |
| El Dorado | 498,403 | 1,337 | 5,415 | 11,907 | 3,738 | 22,397 | 4.59 | 9.40 |
| Fresno | 2,378,845 | 9,396 | 30,234 | 53,959 | 11,228 | 104,817 | 4.41 | 10.78 |
| Glenn | 177,657 | 419 | 2,087 | 4,743 | 362 | 7,611 | 4.28 | 7.02 |
| Humboldt | 458,068 | 1,435 | 6,345 | 11,900 | 1,357 | 21,037 | 4.59 | 10.17 |
| Imperial | 349,035 | 1,695 | 3,959 | 9,564 | 578 | 15,776 | 4.52 | 8.95 |
| Inyo | 129,300 | 93 | 1,777 | 3,237 | 432 | 5,539 | 4.28 | 8.50 |
| Kern | 2,853,404 | 6,163 | 44,708 | 60,328 | 16,273 | 127,472 | 4.47 | 8.60 |
| Kings | 295,059 | 652 | 4,305 | 7,844 | 1,421 | 14,122 | 4.79 | 10.22 |
| Lake | 165,655 | 121 | 1,949 | 4,181 | 1,278 | 7,529 | 4.54 | 9.09 |
| Lassen | 84,702 | 149 | 1,068 | 2,205 | 153 | 3,575 | 4.22 | 8.64 |
| Los Angeles | 28,753,532 | 178,931 | 422,336 | 629,623 | 143,169 | 1,374,061 | 4.78 | 12.40 |
| Madera | 310,704 | 611 | 3,155 | 9,142 | 1,274 | 14,182 | 4.56 | 8.49 |
| Marin | 1,295,298 | 6,618 | 11,751 | 34,300 | 6,340 | 59,009 | 4.56 | 8.92 |
| Mariposa | 59,402 | – | 725 | 1,685 | 69 | 2,480 | 4.04 | 5.98 |
| Mendocino | 321,140 | 405 | 4,536 | 8,737 | 924 | 14,602 | 4.55 | 10.13 |
| Merced | 379,136 | 1,518 | 7,346 | 14,106 | 1,998 | 24,969 | 4.31 | 10.33 |
| Modoc | 76,301 | 92 | 1,060 | 1,791 | 163 | 3,136 | 4.10 | 7.40 |
| Mono | 105,218 | – | 1,532 | 2,193 | 1,098 | 4,823 | 4.58 | 7.70 |
| Monterey | 1,502,096 | 5,289 | 16,691 | 39,698 | 5,751 | 66,219 | 4.41 | 8.34 |
| Napa | 435,198 | 1,630 | 4,459 | 13,325 | 1,241 | 20,655 | 4.75 | 8.53 |
| Nevada | 239,428 | 598 | 2,574 | 6,705 | 1,787 | 11,364 | 4.75 | 8.33 |
| Orange | 9,695,837 | 43,718 | 69,357 | 292,921 | 60,307 | 466,303 | 4.98 | 8.83 |
| Placer | 564,360 | 992 | 6,462 | 15,989 | 4,305 | 27,758 | 4.75 | 9.61 |
| Plumas | 159,367 | 59 | 1,816 | 3,824 | 813 | 6,512 | 4.09 | 5.97 |
| Riverside | 2,606,720 | 10,235 | 29,436 | 67,236 | 23,736 | 130,643 | 5.01 | 10.64 |
| Sacramento | 2,567,568 | 9,192 | 34,953 | 62,524 | 19,098 | 125,767 | 4.90 | 12.19 |
| San Benito | 125,342 | 259 | 1,041 | 3,879 | 784 | 5,963 | 4.76 | 7.00 |
| San Bernardino | 3,021,231 | 9,713 | 34,790 | 76,082 | 31,083 | 151,648 | 5.02 | 10.89 |
| San Diego | 7,190,432 | 37,425 | 69,033 | 209,351 | 29,648 | 345,457 | 4.80 | 9.15 |
| San Francisco | 3,775,980 | – | 121,892 | 54,817 | 14,477 | 191,186 | 5.06 | 11.82 |
| San Joaquin | 1,448,692 | 5,943 | 20,660 | 33,656 | 5,842 | 66,131 | 4.56 | 10.80 |
| San Luis Obispo | 529,408 | 2,171 | 10,886 | 24,207 | 2,237 | 39,501 | 4.71 | 9.21 |
| San Mateo | 3,708,568 | 17,325 | 33,536 | 101,074 | 10,949 | 162,884 | 4.39 | 8.61 |
| Santa Barbara | 1,453,963 | 3,001 | 16,720 | 38,379 | 6,691 | 64,791 | 4.52 | 9.50 |
| Santa Clara | 6,099,206 | 29,556 | 62,636 | 192,360 | 17,467 | 302,021 | 4.99 | 10.45 |
| Santa Cruz | 801,422 | 2,471 | 6,684 | 21,975 | 2,870 | 35,800 | 4.47 | 9.13 |
| Shasta | 499,958 | 1,205 | 5,107 | 15,177 | 1,397 | 22,889 | 4.58 | 9.10 |
| Sierra | 23,412 | 9 | 477 | 398 | 109 | 993 | 4.24 | 7.30 |
| Siskiyou | 195,429 | 475 | 2,290 | 5,262 | 386 | 8,413 | 4.28 | 8.47 |
| Solano | 796,375 | 5,730 | 10,136 | 20,909 | 2,458 | 39,235 | 4.93 | 10.29 |
| Sonoma | 1,334,741 | 3,754 | 15,512 | 36,841 | 3,569 | 59,696 | 4.51 | 9.93 |
| Stanislaus | 1,111,747 | 3,071 | 12,974 | 31,693 | 1,925 | 49,663 | 4.47 | 10.12 |
| Sutter | 268,193 | 692 | 3,711 | 7,815 | 787 | 13,005 | 4.36 | 8.79 |
| Tehama | 160,305 | 278 | 2,033 | 4,455 | 234 | 7,000 | 4.37 | 9.25 |
| Trinity | 53,244 | – | 950 | 1,389 | 105 | 2,424 | 4.55 | 7.36 |
| Tulare | 805,970 | 1,657 | 10,941 | 20,268 | 2,333 | 35,199 | 4.37 | 10.53 |
| Tuolumne | 163,530 | 98 | 2,491 | 4,085 | 594 | 7,268 | 4.44 | 9.95 |
| Ventura | 2,177,743 | 5,295 | 23,097 | 57,451 | 19,593 | 105,526 | 4.85 | 9.64 |
| Yolo | 537,009 | 2,919 | 5,955 | 14,389 | 2,160 | 25,373 | 4.72 | 10.68 |
| Yuba | 140,782 | 347 | 2,281 | 3,596 | 445 | 6,669 | 4.74 | 11.02 |
| Totals | 108,596,537 | 463,125 | 1,296,980 | 2,506,305 | 551,141 | 4,930,760 | 4.79 | 10.68 |

[a] These are the assessed values on which general property taxes were actually levied in 1978–79. Excluded are exemptions totaling $13,999,096,100 as follows: homeowners' $6,827,909,300; business inventories, $4,251,508,000; and all other, $2,905,-679,000.

[b] The county levies at a rate of $4.00 per $100 of assessed value have been allocated among the jurisdictions receiving a portion of these levies. Excluded are the following amounts of state reimbursement to local governments for exemptions described in footnote [a]: homeowners' $431,951,885 and business inventories, $257,963,896.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the $4.00 levy allocated to jurisdictions previously taxing less than total property.

SPECIAL NOTE: The rates for 1977–78 and 1978–79 are not totally comparable. The rate for 1977–78 was calculated using only levies on total property. 1978–79 levies include those amounts stated in footnote [d]. Had levies on less than total property been included in 1977–78 calculations, the statewide average rate would have been about $10.99 per $100 of assessed value.

## TABLE 15—1978–79 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

| County | Property tax dollars | | | | |
|---|---|---|---|---|---|
| | City | County [b] | School purposes [b] | Other districts | Total |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Alameda | $0.13 | $0.21 | $0.49 | $0.17 | $1.00 |
| Alpine | – | .73 | .21 | .06 | 1.00 |
| Amador | .04 | .24 | .69 | .02 | 1.00 |
| Butte | .04 | .21 | .67 | .08 | 1.00 |
| Calaveras | .01 | .19 | .69 | .11 | 1.00 |
| Colusa | .04 | .31 | .57 | .08 | 1.00 |
| Contra Costa | .06 | .30 | .51 | .21 | 1.00 |
| Del Norte | .01 | .30 | .62 | .07 | 1.00 |
| El Dorado | .06 | .24 | .53 | .17 | 1.00 |
| Fresno | .09 | .29 | .51 | .11 | 1.00 |
| Glenn | .06 | .27 | .62 | .05 | 1.00 |
| Humboldt | .07 | .30 | .57 | .06 | 1.00 |
| Imperial | .11 | .25 | .60 | .04 | 1.00 |
| Inyo | .02 | .32 | .56 | .06 | 1.00 |
| Kern | .05 | .25 | .67 | .13 | 1.00 |
| Kings | .05 | .30 | .55 | .10 | 1.00 |
| Lake | .02 | .06 | .55 | .17 | 1.00 |
| Lassen | .04 | .30 | .62 | .04 | 1.00 |
| Los Angeles | .13 | .31 | .46 | .10 | 1.00 |
| Madera | .04 | .22 | .65 | .09 | 1.00 |
| Marin | .11 | .20 | .58 | .11 | 1.00 |
| Mariposa | – | .30 | .68 | .02 | 1.00 |
| Mendocino | .03 | .31 | .60 | .06 | 1.00 |
| Merced | .06 | .29 | .57 | .08 | 1.00 |
| Modoc | .03 | .28 | .57 | .05 | 1.00 |
| Mono | – | .32 | .65 | .03 | 1.00 |
| Monterey | .06 | .25 | .58 | .09 | 1.00 |
| Napa | .08 | .22 | .64 | .06 | 1.00 |
| Nevada | .03 | .23 | .58 | .16 | 1.00 |
| Orange | .10 | .15 | .62 | .13 | 1.00 |
| Placer | .03 | .23 | .58 | .16 | 1.00 |
| Plumas | .01 | .28 | .59 | .12 | 1.00 |
| Riverside | .08 | .23 | .51 | .18 | 1.00 |
| Sacramento | .07 | .28 | .50 | .15 | 1.00 |
| San Benito | .04 | .17 | .65 | .13 | 1.00 |
| San Bernardino | .06 | .23 | .50 | .21 | 1.00 |
| San Diego | .11 | .20 | .60 | .09 | 1.00 |
| San Francisco | – | .63 | .20 | .08 | 1.00 |
| San Joaquin | .09 | .31 | .51 | .09 | 1.00 |
| San Luis Obispo | .05 | .28 | .61 | .06 | 1.00 |
| San Mateo | .11 | .21 | .61 | .07 | 1.00 |
| Santa Barbara | .05 | .26 | .59 | .10 | 1.00 |
| Santa Clara | .10 | .21 | .63 | .06 | 1.00 |
| Santa Cruz | .07 | .24 | .62 | .07 | 1.00 |
| Shasta | .05 | .22 | .67 | .06 | 1.00 |
| Sierra | .01 | .48 | .40 | .11 | 1.00 |
| Siskiyou | .06 | .27 | .62 | .05 | 1.00 |
| Solano | .15 | .26 | .53 | .06 | 1.00 |
| Sonoma | .06 | .28 | .62 | .04 | 1.00 |
| Stanislaus | .06 | .26 | .64 | .04 | 1.00 |
| Sutter | .05 | .29 | .60 | .06 | 1.00 |
| Tehama | .04 | .29 | .64 | .03 | 1.00 |
| Trinity | – | .39 | .57 | .04 | 1.00 |
| Tulare | .05 | .31 | .57 | .07 | 1.00 |
| Tuolumne | .01 | .24 | .57 | .08 | 1.00 |
| Ventura | .05 | .22 | .54 | .19 | 1.00 |
| Yolo | .12 | .24 | .55 | .09 | 1.00 |
| Yuba | .05 | .34 | .54 | .07 | 1.00 |
| Average | $0.09 | $0.26 | $0.54 | $0.11 | $1.00 |

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and county-wide school levies are included with school levies.

SPECIAL NOTE: The distribution of the property tax dollar for 1978–79 is not totally comparable to the 1977–78 distributions. The 1978–79 figures include debt levies on land and/or improvements only and the portion of the $4.00 levy allocated to jurisdictions previously taxing less than total property, i.e., special assessments.

## TABLE 16—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO LOCAL SPECIAL PROPERTY TAXES, 1979–80

| County | Aircraft [a, b] | | Documented vessels | | Baled cotton [d] |
|---|---|---|---|---|---|
| | Number | Market value | Number | Assessed value [c] | Market value |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Alameda | 1,150 | 630,100,400 | 115 | 839,110 | $- |
| Alpine | - | - | - | - | - |
| Amador | 42 | 141,560 | - | - | - |
| Butte | 245 | 7,530,690 | - | - | - |
| Calaveras | 24 | 560,650 | - | - | - |
| Colusa | 118 | 2,980,640 | - | - | - |
| Contra Costa | 686 | 11,010,300 | 77 | 13,500 | - |
| Del Norte | 11 | 309,110 | 555 | 62,360 | - |
| El Dorado | 214 | 4,101,744 | - | - | - |
| Fresno | 831 | 30,504,000 | - | - | 130,080,900 |
| Glenn | 113 | 2,057,700 | - | - | - |
| Humboldt | 146 | 4,030,850 | 695 | 214,730 | - |
| Imperial | 297 | 5,702,000 | - | - | 40,051,200 |
| Inyo | 73 | 1,410,730 | - | - | - |
| Kern | 983 | 33,513,000 | - | - | 130,940,100 |
| Kings | 140 | 4,051,794 | - | - | 93,503,868 |
| Lake | 90 | 1,745,981 | - | - | - |
| Lassen | 38 | 695,433 | - | - | - |
| Los Angeles | 4,482 | 180,560,420 | 550 | 155,535 | - |
| Madera | 138 | 2,057,955 | - | - | 10,043,000 |
| Marin | 557 | 9,040,510 | 90 | 59,560 | - |
| Mariposa | 22 | 410,054 | - | - | - |
| Mendocino | 156 | 2,711,050 | 430 | 110,080 | - |
| Merced | 243 | 5,304,500 | - | - | 80,455,000 |
| Modoc | 63 | 1,204,230 | - | - | - |
| Mono | 24 | 1,201,460 | - | - | - |
| Monterey | 312 | 15,577,430 | 388 | 100,515 | - |
| Napa | 270 | 9,063,691 | 30 | 3,096 | - |
| Nevada | 188 | 3,930,130 | - | - | - |
| Orange | 1,330 | 41,031,790 | 105 | 57,000 | - |
| Placer | 155 | 3,013,000 | - | - | - |
| Plumas | 37 | 780,994 | - | - | - |
| Riverside | 940 | 16,453,973 | - | - | 57,130,100 |
| Sacramento | 905 | 24,179,150 | - | - | - |
| San Benito | 74 | 1,307,570 | - | - | - |
| San Bernardino | 1,167 | 33,740,200 | - | - | - |
| San Diego | 1,897 | 60,040,550 | 605 | 1,970,071 | - |
| San Francisco | 5 | 535,000 | 140 | 53,000 | - |
| San Joaquin | 430 | 10,720,950 | 10 | 5,943 | - |
| San Luis Obispo | 205 | 6,919,890 | 896 | 43,307 | - |
| San Mateo | 506 | 80,433,590 | 130 | 35,190 | - |
| Santa Barbara | 508 | 20,000,400 | 150 | 45,195 | - |
| Santa Clara | 1,507 | 41,971,643 | 71 | 140,130 | - |
| Santa Cruz | 250 | 5,700,200 | 60 | 040,000 | - |
| Shasta | 251 | 6,014,889 | 15 | 647 | - |
| Sierra | - | - | - | - | - |
| Siskiyou | 106 | 1,790,000 | - | - | - |
| Solano | 160 | 2,020,000 | 51 | 5,205 | - |
| Sonoma | 642 | 11,000,300 | 100 | 45,000 | - |
| Stanislaus | 220 | 10,071,500 | - | - | - |
| Sutter | 155 | 7,113,400 | 4 | 550 | - |
| Tehama | 72 | 1,954,010 | - | - | - |
| Trinity | 20 | 145,060 | - | - | - |
| Tulare | 468 | 14,597,275 | - | - | 67,004,300 |
| Tuolumne | 100 | 1,507,700 | - | - | - |
| Ventura | 600 | 10,000,004 | 50 | 59,570 | - |
| Yolo | 204 | 4,000,120 | - | - | - |
| Yuba | 100 | 2,414,550 | - | - | - |
| Totals | 24,721 | 1843,744,016 | 3,751 | 1,010,000 | 1000,504,540 |

[a] Aircraft is assessed at its market value which is subject to a 1% percent tax rate. The revenues is distributed among county, city, and school districts, depending upon the place where a plane is habitually based.

[b] Includes $1,000,000 on state-assessed aircraft. This amount has been excluded from the figures in Tables 5, 6, 9, 10, 15A and 15B.

[c] Documented vessels are assessed at 1 percent of full value, each valuation is subject to general property taxes.

[d] Cotton is assessed at its full cash value in the baled form and is taxed at a rate of one-tenth of 1 percent. Revenues from this source is collected and retained by the county.

## TABLE 17A—ASSESSED VALUE OF PRIVATE CARS * ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1979–80

| Name of company | Assessed value (in thousands) | Amount of tax [b] |
|---|---|---|
| 1 | 2 | 3 |
| PRIVATE CARS | | |
| ACF Industries Incorporated, Shippers' Car Line Division | $5,166 | $242,783 |
| Allied Chemical Corporation | 160 | 7,512 |
| Amoco Chemicals Corporation | 206 | 9,684 |
| Andrews Gas Liquids | 111 | 5,220 |
| ARCO/Polymers, Inc. | 290 | 13,643 |
| Celtrun, Inc. | 212 | 9,951 |
| Chemplex Co. | 107 | 5,005 |
| Chicago Freight Car Leasing | 119 | 5,591 |
| Cities Service Co. | 144 | 6,755 |
| Continental Oil Company | 529 | 24,842 |
| Crystal Car Line | 169 | 7,895 |
| Dow Chemical Company, The | 659 | 30,971 |
| du Pont de Nemours, E. I. & Company | 850 | 39,959 |
| Ethyl Corporation | 163 | 7,656 |
| Evergreen Freight Car Corporation | 2,605 | 122,463 |
| Exxon Chemical Co., U.S.A. | 239 | 11,249 |
| Exxon Pipe Line Company | 422 | 19,722 |
| FMC Corporation, Industrial Chemicals Division | 183 | 8,619 |
| Fruit Growers Express Company | 2,178 | 102,344 |
| General American Transportation Company | 6,220 | 296,328 |
| Georgia Pacific Corporation (Bellingham Division) | 138 | 6,504 |
| Georgia Pacific Corporation (Plaquemine/Rebecca Division) | 120 | 5,620 |
| Glenco Transportation Services, Inc. | 169 | 7,905 |
| Granite Rock Company | 250 | 11,754 |
| Gulf Oil Corporation | 103 | 4,830 |
| Hooker Chemicals & Plastics Corporation | 295 | 13,864 |
| Kerr-McGee Chemical Corporation | 493 | 23,179 |
| Lincoln Grain Incorporated | 126 | 5,941 |
| Lucs, Incorporated | 147 | 6,919 |
| Mobile Oil Corporation | 220 | 10,302 |
| Monsanto Company | 230 | 10,820 |
| National Rail Passenger Corporation (AMTRAK) | 9,704 | 456,110 |
| North American Car Corporation | 7,327 | 344,394 |
| Pacific Fruit Express Company | 2,451 | 115,656 |
| Phillips Petroleum Company | 302 | 14,214 |
| PPG Industries, Inc. | 292 | 13,249 |
| Pullman Leasing Company | 2,876 | 135,188 |
| Rail Box Company | 5,086 | 239,019 |
| Relco Nevada Corporation | 207 | 9,718 |
| Richmond Leasing Company | 922 | 43,328 |
| Shell Oil Company | 951 | 40,447 |
| Soltex Polymer Corporation | 122 | 5,710 |
| Stauffer Chemical Company | 106 | 4,954 |
| Trailer Train Company | 24,696 | 1,150,832 |
| Union Carbide Corporation | 457 | 21,478 |
| Union Pacific Fruit Express | 504 | 23,650 |
| Union Tank Car Company | 4,649 | 218,514 |
| United Equipment Leasing Association | 197 | 8,809 |
| United States Leasing International Inc. | 882 | 41,444 |
| United States Rail Services, Inc. | 159 | 7,353 |
| United States By Equipment Co. | 1,548 | 72,765 |
| 111 other companies with assessed value under $100,000 each | 2,555 | 120,111 |
| Totals for private cars | $90,701 | $4,202,940 |

* Private cars are the rolling stock of companies that are not railroads. They are assessed on an ad valorem basis by the State. The value of property owned by any of these companies and used at fixed locations for repairing, improving, servicing, or operating these cars is included, but the value of other property at fixed locations and subject to state assessment is excluded, for the latter, see Table 18B.

[b] Includes interest, penalties and escape assessments from prior years.

## TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1979–80

| Fiscal year | Average number of cars | Assessed value [a] (000 omitted) | Average assessed value per car [a] | Tax rate per $100 assessed value [b] | Amount of tax [c] (000 omitted) |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1979–80 | 14,514 | $90,701 | $6,249 | $4.70 | $4,263 |
| 1978–79 | 17,483 | 87,393 | 4,999 | 4.85 | 4,239 |
| 1977–78 | 18,388 | 78,154 | 4,213 | 11.19 | 8,754 |
| 1976–77 | 18,962 | 78,660 | 4,148 | 11.33 | 8,915 |
| 1975–76 | 18,003 | 75,652 | 4,202 | 11.24 | 8,505 |
| 1974–75 | 18,648 | 71,251 | 3,801 | 11.15 | 7,946 |
| 1973–74 | 17,111 | 64,101 | 3,681 | 11.44 | 7,334 |
| 1972–73 | 15,157 | 50,255 | 3,316 | 11.43 | 5,701 |
| 1971–72 | 14,977 | 44,196 | 2,951 | 10.85 | 4,552 |
| 1970–71 | 15,091 | 41,766 | 2,768 | 9.93 | 4,148 |
| 1969–70 | 15,098 | 39,809 | 2,638 | 9.39 | 3,739 |
| 1968–69 | 14,756 | 43,421 | 2,943 | 8.90 | 3,865 |
| 1967–68 | 14,359 | 37,627 | 2,584 | 7.79 | 2,931 |
| 1966–67 | 13,872 | 32,986 | 2,378 | 7.51 | 2,477 |
| 1965–66 | 14,436 | 30,243 | 2,095 | 7.29 | 2,205 |
| 1964–65 | 14,534 | 28,835 | 1,985 | 6.99 | 2,017 |
| 1963–64 | 14,562 | 26,679 | 1,832 | 6.92 | 1,846 |
| 1962–63 | 15,639 | 26,506 | 1,695 | 6.82 | 1,808 |
| 1961–62 | 16,182 | 26,807 | 1,657 | 6.54 | 1,753 |
| 1960–61 | 16,055 | 25,894 | 1,613 | 6.44 | 1,668 |
| 1959–60 | 15,953 | 25,848 | 1,620 | 6.24 | 1,613 |
| 1958–59 | 16,867 | 30,573 | 1,813 | 5.60 | 1,712 |
| 1957–58 | 17,108 | 29,826 | 1,743 | 5.33 | 1,590 |
| 1956–57 | 17,168 | 27,435 | 1,598 | 5.19 | 1,424 |
| 1955–56 | 17,644 | 26,136 | 1,481 | 5.09 | 1,330 |
| 1954–55 | 17,993 | 26,534 | 1,475 | 4.90 | 1,301 |
| 1953–54 | 17,092 | 25,378 | 1,485 | 4.81 | 1,222 |
| 1952–53 | 16,051 | 23,524 | 1,466 | 4.79 | 1,127 |
| 1951–52 | 16,511 | 21,974 | 1,331 | 4.98 | 1,089 |
| 1950–51 | 17,068 | 19,186 | 1,124 | 4.64 | 891 |
| 1945–50 | 16,382 | 17,426 [d] | 1,064 | 3.99 | 3,510 |
| 1940–45 | 13,259 | 12,630 [d] | 953 | 3.63 | 2,286 |
| 1938–40 | 13,734 | 11,579 [d] | 843 | 3.66 | 848 |

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

## TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1978–79
(Collections in thousands of dollars)

| Fiscal year | Collections [a] | | | Number of outstanding permits [c] |
|---|---|---|---|---|
| | Taxes | Fees [b] | Total | |
| 1 | 2 | 3 | 4 | 5 |
| 1978–79 | $5,810,484 | $310 | $5,810,794 | 634,758 |
| 1977–78 | 5,028,658 | 308 | 5,028,966 | 596,477 |
| 1976–77 | 4,311,426 | 272 | 4,311,698 | 571,689 |
| 1975–76 | 3,737,838 | 252 | 3,738,090 | 536,545 |
| 1974–75 | 3,372,966 | 231 | 3,373,197 | 510,232 |
| 1973–74 | 2,673,570 [d] | 205 | 2,673,775 [d] | 484,655 |
| 1972–73 | 2,197,083 [e] | 193 | 2,197,276 [e] | 472,457 |
| 1971–72 | 1,991,992 | 193 | 1,992,185 | 452,033 |
| 1970–71 | 1,796,956 | 186 | 1,797,142 | 437,731 |
| 1969–70 | 1,751,658 | 171 | 1,751,829 | 430,766 |
| 1968–69 | 1,634,612 | 156 | 1,634,768 | 412,563 |
| 1967–68 | 1,389,943 [f] | 145 | 1,390,088 [f] | 399,100 |
| 1966–67 | 1,053,251 | 138 | 1,053,389 | 395,321 |
| 1965–66 | 1,096,165 [g] | 145 | 1,096,310 [g] | 389,115 |
| 1964–65 | 939,651 | 146 | 939,797 | 377,746 |
| 1963–64 | 876,946 | 128 | 877,074 | 369,261 |
| 1962–63 | 813,313 | 120 | 813,433 | 360,976 |
| 1961–62 | 749,375 | 117 | 749,492 | 353,520 |
| 1960–61 | 710,931 | 119 | 711,050 | 351,727 |
| 1959–60 | 709,749 | 118 | 709,867 | 342,322 |
| 1958–59 | 631,409 | 115 | 631,524 | 333,998 |
| 1957–58 | 605,208 | 102 | 605,310 | 326,124 |
| 1956–57 [h] | 599,789 | 102 | 599,891 | 320,486 |
| 1955–56 | 564,348 | 103 | 564,451 | 310,780 |
| 1954–55 | 492,879 | 108 | 492,987 | 305,537 |
| 1953–54 | 464,969 | 107 | 465,076 | 296,108 |
| 1952–53 | 460,196 | 98 | 460,294 | 289,620 |
| 1951–52 | 417,326 | 95 | 417,421 | 285,639 |
| 1950–51 | 398,261 | 101 | 398,362 | 285,596 |
| 1945–50 | 1,316,653 [i] | 615 | 1,317,268 [i] | 270,231 |
| 1940–45 | 665,100 [j] | 303 | 665,403 [j] | 179,067 |
| 1935–40 | 426,422 [k] | 518 [l] | 426,940 [k] | 186,473 [m] |
| 1933–35 | 89,661 [n] | 282 | 89,943 [n] | 185,748 |

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973 the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3½ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1957, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 22 for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent; sales of food for human consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

## TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1978–79

| Type of business | Taxable transactions [a] | | | State sales tax (in thousands) | Number of permits on June 30, 1979 [b] |
|---|---|---|---|---|---|
| | Amount (in thousands) | Percent of total | Percent change from 1977–78 | | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| **Retail Stores** | | | | | |
| Women's apparel | $1,686,072 | 1.38 | 10.9 | $80,088 | 7,765 |
| Men's apparel | 776,596 | .64 | 8.5 | 36,888 | 2,802 |
| Family apparel | 780,982 | .64 | 20.4 | 37,097 | 3,420 |
| Shoes | 851,155 | .70 | 17.3 | 40,430 | 3,385 |
| Apparel stores group | 4,094,805 | 3.36 | 13.4 | 194,503 | 17,372 |
| Limited-price variety | 612,401 | .50 | 11.8 | 29,089 | 1,292 |
| Department and dry goods | 9,370,630 | 7.69 | 6.9 | 445,105 | 3,432 |
| Drug stores [c] | 2,146,849 | 1.76 | 14.4 | 101,975 | 4,955 |
| Other general merchandise | 861,020 | .71 | 26.7 | 40,899 | 1,493 |
| General merchandise stores | 12,990,900 | 10.66 | 9.5 | 617,068 | 10,482 |
| Gifts, art goods, and novelties | 421,354 | .35 | 19.0 | 20,014 | 6,325 |
| Sporting goods | 676,437 | .55 | 18.8 | 32,131 | 4,141 |
| Florists | 240,128 | .20 | 13.8 | 11,406 | 2,988 |
| Photographic equipment and supplies | 290,751 | .24 | 17.3 | 13,811 | 853 |
| Musical instruments | 761,732 | .62 | 10.5 | 36,182 | 2,685 |
| Stationery and books | 848,654 | .70 | 18.7 | 40,311 | 4,476 |
| Jewelry | 660,163 | .54 | 16.9 | 31,358 | 3,466 |
| Office, store, and school supplies | 1,963,889 | 1.61 | 15.9 | 93,285 | 2,956 |
| Other specialties | 1,572,744 | 1.29 | 20.5 | 74,705 | 15,683 |
| Specialty stores group | 7,435,852 | 6.10 | 17.1 | 353,203 | 43,575 |
| Food stores selling all types of liquors [c] | 4,991,970 | 4.09 | 15.0 | 237,118 | 4,291 |
| All other food stores [c] | 1,959,299 | 1.61 | 13.2 | 93,067 | 14,828 |
| Packaged liquor stores | 1,800,532 | 1.48 | 5.9 | 85,525 | 5,892 |
| Eating places: no alcoholic beverages | 3,887,706 | 3.19 | 13.7 | 184,666 | 23,416 |
| Eating places: beer and wine | 1,840,350 | 1.51 | 21.4 | 87,416 | 14,631 |
| Eating and drinking: all types of liquor | 4,028,163 | 3.30 | 14.4 | 191,338 | 10,572 |
| Eating and drinking group | 9,756,219 | 8.00 | 15.4 | 463,420 | 48,619 |
| Household and home furnishings | 2,581,138 | 2.12 | 15.1 | 122,606 | 13,799 |
| Household appliance dealers | 1,281,595 | 1.05 | 18.2 | 60,876 | 3,941 |
| Second-hand merchandise | 148,421 | .12 | 12.9 | 7,050 | 3,728 |
| Farm implement dealers | 1,068,088 | .88 | 20.1 | 50,734 | 1,032 |
| Farm and garden supply stores | 653,930 | .54 | 24.7 | 31,062 | 3,183 |
| Fuel and ice dealers | 186,771 | .15 | 21.0 | 8,872 | 734 |
| Lumber and building materials | 3,719,992 | 3.05 | 20.6 | 176,700 | 3,581 |
| Hardware stores | 1,078,212 | .89 | 15.5 | 51,215 | 2,114 |
| Plumbing and electrical supplies | 444,161 | .36 | 26.5 | 21,098 | 1,102 |
| Paint, glass, and wallpaper | 536,509 | .44 | 15.2 | 25,484 | 1,873 |
| Building material group | 5,778,874 | 4.74 | 19.5 | 274,497 | 8,670 |
| New motor vehicle dealers | 12,037,695 | 9.88 | 11.3 | 571,791 | 2,711 |
| Used motor vehicle dealers | 796,642 | .65 | 14.5 | 37,840 | 3,037 |
| Automotive supplies and parts | 1,639,179 | 1.34 | 17.1 | 77,861 | 6,917 |
| Service stations | 10,023,437 | 8.22 | 14.5 | 476,113 | 15,774 |
| Mobile homes, trailers, and campers | 1,096,339 | .90 | −3.3 | 52,076 | 1,625 |
| Boat, motorcycle, and plane dealers | 927,592 | .76 | 23.2 | 44,061 | 2,594 |
| Automotive group | 26,520,884 | 21.75 | 12.6 | 1,259,742 | 32,658 |
| **Retail Stores Totals** | 81,249,228 | 66.65 | 13.7 | 3,858,343 | 212,804 |
| **Business and Personal Services** | 4,398,948 | 3.61 | 15.3 | 208,998 | 75,185 |
| **All Other Outlets** | 36,252,937 | 29.74 | 19.1 | 1,722,014 | 354,163 |
| **Totals All Outlets** | $121,902,213 | 100.00 | 15.3 | $5,790,355 [d] | 642,152 |
| **HISTORICAL DATA** | | | | | |
| **Comparable data for all outlets:** | | | | | |
| 1977–78 | 105,725,484 | – | 15.5 | 5,021,960 | 611,397 |
| 1976–77 | 91,518,781 | – | 16.7 | 4,347,139 | 583,704 |
| 1975–76 | 78,455,230 | – | 11.8 | 3,726,623 | 552,162 |
| 1974–75 | 70,147,940 | – | 8.8 | 3,332,027 | 520,499 |

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 5, 1978 through Aug. 6, 1979.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $60,914,300 and penalties and interest of $12,797,600.

## TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1978–79

| County | Taxable sales of retail stores (in thousands) | Taxable sales of all outlets [a] | | | State tax (in thousands) | Number of permits on June 30, 1979 [b] |
|---|---|---|---|---|---|---|
| | | Amount (in thousands) | Percent of total | Percent change from 1977–78 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Alameda | $3,563,240 | $5,747,050 | 4.72 | 15.6 | $272,985 | 27,951 |
| Alpine | 3,873 | 5,021 | c | d | 239 | 44 |
| Amador | 55,883 | 74,071 | 0.06 | 27.3 | 3,518 | 939 |
| Butte | 514,611 | 644,193 | 0.53 | 15.7 | 30,509 | 4,223 |
| Calaveras | 42,915 | 62,538 | 0.05 | 25.5 | 2,971 | 820 |
| Colusa | 42,786 | 79,345 | 0.07 | 33.6 | 3,769 | 433 |
| Contra Costa | 2,606,743 | 3,289,165 | 2.70 | 13.6 | 156,935 | 14,729 |
| Del Norte | 51,552 | 73,187 | 0.06 | 13.8 | 3,476 | 728 |
| El Dorado | 271,003 | 342,586 | 0.28 | 17.9 | 16,273 | 2,973 |
| Fresno | 1,950,166 | 2,784,800 | 2.28 | 15.3 | 132,278 | 12,768 |
| Glenn | 60,898 | 95,928 | 0.08 | 20.9 | 4,557 | 634 |
| Humboldt | 361,046 | 500,041 | 0.41 | 9.8 | 23,752 | 3,501 |
| Imperial | 319,525 | 432,303 | 0.35 | 11.5 | 20,534 | 2,223 |
| Inyo | 88,124 | 111,721 | 0.09 | 27.2 | 5,307 | 784 |
| Kern | 1,448,393 | 2,194,129 | 1.80 | 13.4 | 104,221 | 9,227 |
| Kings | 231,406 | 293,663 | 0.24 | 16.7 | 13,949 | 1,606 |
| Lake | 95,997 | 129,557 | 0.11 | 24.8 | 6,154 | 1,355 |
| Lassen | 56,398 | 76,400 | 0.06 | 20.0 | 3,629 | 733 |
| Los Angeles | 25,510,531 | 38,835,170 | 31.86 | 15.0 | 1,844,671 | 211,283 |
| Madera | 159,566 | 234,376 | 0.19 | 21.3 | 11,133 | 1,512 |
| Marin | 803,144 | 1,028,240 | 0.84 | 16.5 | 48,841 | 7,819 |
| Mariposa | 17,818 | 41,833 | 0.03 | 19.2 | 1,987 | 444 |
| Mendocino | 242,886 | 343,752 | 0.28 | 20.5 | 16,328 | 2,632 |
| Merced | 374,504 | 481,461 | 0.40 | 13.4 | 22,869 | 2,620 |
| Modoc | 23,622 | 31,441 | 0.03 | 6.8 | 1,493 | 370 |
| Mono | 38,496 | 51,809 | 0.04 | 30.2 | 2,461 | 514 |
| Monterey | 953,239 | 1,282,137 | 1.05 | 14.7 | 60,902 | 7,000 |
| Napa | 295,813 | 397,330 | 0.33 | 15.9 | 18,873 | 2,824 |
| Nevada | 152,100 | 209,670 | 0.17 | 18.6 | 9,959 | 1,933 |
| Orange | 7,312,334 | 10,824,677 | 8.88 | 16.3 | 514,172 | 56,741 |
| Placer | 424,068 | 562,976 | 0.46 | 19.6 | 26,741 | 3,415 |
| Plumas | 51,822 | 68,154 | 0.06 | 24.0 | 3,237 | 852 |
| Riverside | 2,169,592 | 2,871,125 | 2.36 | 16.8 | 136,378 | 16,307 |
| Sacramento | 2,896,340 | 4,050,943 | 3.32 | 15.3 | 192,420 | 16,606 |
| San Benito | 55,063 | 81,434 | 0.07 | 23.3 | 3,868 | 576 |
| San Bernardino | 2,629,488 | 3,638,574 | 2.99 | 16.4 | 172,832 | 20,518 |
| San Diego | 5,768,162 | 8,160,316 | 6.69 | 15.5 | 387,615 | 43,134 |
| San Francisco | 2,636,373 | 4,262,401 | 3.50 | 12.4 | 202,464 | 24,955 |
| San Joaquin | 1,178,241 | 1,684,774 | 1.38 | 15.2 | 80,027 | 6,838 |
| San Luis Obispo | 487,406 | 622,210 | 0.51 | 9.6 | 29,555 | 5,038 |
| San Mateo | 2,194,376 | 3,504,126 | 2.87 | 13.5 | 166,446 | 15,862 |
| Santa Barbara | 1,013,266 | 1,356,347 | 1.11 | 14.1 | 64,427 | 10,631 |
| Santa Clara | 4,705,716 | 7,235,731 | 5.94 | 17.1 | 343,697 | 32,932 |
| Santa Cruz | 580,435 | 758,604 | 0.62 | 12.8 | 36,034 | 5,945 |
| Shasta | 478,394 | 638,958 | 0.52 | 18.0 | 30,351 | 3,847 |
| Sierra | 4,939 | 8,081 | 0.01 | 21.5 | 384 | 136 |
| Siskiyou | 120,444 | 163,558 | 0.13 | 14.7 | 7,769 | 1,555 |
| Solano | 632,396 | 813,877 | 0.67 | 15.0 | 38,659 | 4,171 |
| Sonoma | 970,764 | 1,363,607 | 1.12 | 16.8 | 64,866 | 8,979 |
| Stanislaus | 928,196 | 1,302,756 | 1.07 | 15.2 | 61,881 | 6,279 |
| Sutter | 191,667 | 257,220 | 0.21 | 15.6 | 12,218 | 1,422 |
| Tehama | 118,314 | 152,336 | 0.13 | 17.1 | 7,236 | 1,113 |
| Trinity | 19,539 | 28,396 | 0.02 | 25.2 | 1,349 | 490 |
| Tulare | 783,747 | 1,059,710 | 0.87 | 18.4 | 50,336 | 5,738 |
| Tuolumne | 104,275 | 140,357 | 0.12 | 14.7 | 6,667 | 1,531 |
| Ventura | 1,538,868 | 2,049,761 | 1.68 | 21.9 | 97,364 | 11,935 |
| Yolo | 362,302 | 549,783 | 0.45 | 14.2 | 26,115 | 2,523 |
| Yuba | 140,712 | 174,861 | 0.14 | 10.8 | 8,306 | 1,250 |
| Statewide | 171,787 | 3,641,643 | 2.99 | 10.9 | 172,978 | 4,191 |
| Totals | $61,005,309 | $121,902,213 | 100.00 | 15.3 | $5,790,353 [e] | 642,152 |

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 6, 1978 through Aug. 6, 1979.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Less than .005.

[d] Percentage change not shown for Alpine County because its small base is subject to violent fluctuations that are not regarded as significant.

[e] In addition, the Board assessed state taxes of $80,914,300 and penalties and interest of $12,797,800.

## TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1978–79

(In dollars)

| Jurisdiction | Revenue distributed | |
|---|---|---|
| | Local sales and use taxes | State cigarette tax |
| 1 | 2 | 3 |
| Alameda County | 7,308,949 | 495,356 |
| Alameda City | 2,063,686 | 205,739 |
| Albany | 598,499 | 48,670 |
| Berkeley | 4,586,229 | 360,834 |
| Emeryville | 1,403,261 | 51,976 |
| Fremont | 4,717,197 | 377,824 |
| Hayward | 8,280,046 | 445,482 |
| Livermore | 1,379,934 | 136,765 |
| Newark | 1,128,994 | 93,095 |
| Oakland | 16,921,950 | 1,224,313 |
| Piedmont | 47,144 | 21,970 |
| Pleasanton | 802,709 | 90,039 |
| San Leandro | 7,285,388 | 363,893 |
| Union City | 1,051,843 | 98,195 |
| Total | 57,575,829 | 4,014,151 |
| Alpine County | 49,440 | 3,897 |
| Amador County | 264,530 | 17,674 |
| Amador City | 4,354 | 436 |
| Ione | 52,966 | 6,242 |
| Jackson | 265,363 | 13,112 |
| Plymouth | 14,082 | 1,617 |
| Sutter Creek | 117,667 | 7,008 |
| Total | 718,982 | 46,089 |
| Butte County | 2,899,095 | 196,921 |
| Biggs | 11,301 | 3,069 |
| Chico | 1,941,943 | 109,273 |
| Gridley | 312,926 | 17,204 |
| Oroville | 1,300,238 | 56,440 |
| Total | 6,463,503 | 382,907 |
| Calaveras County | 448,632 | 30,243 |
| Angels Camp | 165,596 | 10,520 |
| Total | 614,228 | 40,763 |
| Colusa County | 279,480 | 19,297 |
| Colusa City | 425,590 | 20,489 |
| Williams | 87,873 | 5,744 |
| Total | 792,943 | 45,530 |
| Contra Costa County | 5,741,249 | 394,659 |
| Antioch | 1,611,026 | 120,547 |
| Brentwood | 160,980 | 12,453 |
| Clayton | 43,052 | 7,609 |
| Concord | 6,352,823 | 384,448 |
| El Cerrito | 1,015,574 | 80,808 |
| Hercules[c] | 1,694,942 | 66,904 |
| Lafayette | 851,269 | 68,323 |
| Martinez | 503,162 | 56,037 |
| Moraga | 229,075 | 54,785 |
| Pinole | 379,075 | 41,253 |
| Pittsburg | 698,284 | 74,826 |
| Pleasant Hill | 2,024,383 | 115,470 |
| Richmond[b] | 6,050,471 | 332,898 |
| San Pablo | 1,079,096 | 75,494 |
| Walnut Creek | 3,740,791 | 220,026 |
| Total | 32,175,252 | 2,106,600 |
| Del Norte County | 250,162 | 17,391 |
| Crescent City | 474,085 | 20,229 |
| Total | 724,247 | 37,620 |
| El Dorado County | 894,908 | 60,963 |
| Placerville | 1,003,022 | 44,623 |
| South Lake Tahoe | 1,548,887 | 88,539 |
| Total | 3,446,817 | 194,145 |
| Fresno County | 7,777,131 | 532,639 |
| Clovis | 1,590,435 | 102,210 |
| Coalinga | 264,375 | 20,368 |
| Firebaugh | 286,153 | 16,421 |
| Fowler | 100,345 | 7,401 |
| Fresno City | 15,189,036 | 851,038 |
| Huron | 72,593 | 7,113 |
| Kerman | 216,559 | 13,774 |
| Kingsburg | 181,464 | 14,619 |
| Mendota | 135,920 | 12,175 |
| Orange Cove | 69,286 | 9,410 |
| Parlier | 63,966 | 6,606 |
| Reedley | 547,206 | 36,359 |
| Sanger | 428,457 | 34,079 |
| San Joaquin[b] | 69,492 | 5,572 |
| Selma | 733,310 | 40,507 |
| Total | 27,725,748 | 1,710,251 |
| Glenn County | 376,236 | 25,471 |
| Orland | 279,667 | 15,702 |
| Willows | 308,874 | 18,783 |
| Total | 964,777 | 59,956 |
| Humboldt County | 1,033,731 | 71,783 |
| Arcata | 621,487 | 42,105 |
| Blue Lake | 7,763 | 2,544 |
| Eureka | 2,881,859 | 138,817 |
| Ferndale | 59,347 | 4,559 |
| Fortuna | 384,824 | 29,372 |
| Rio Dell | 39,486 | 6,690 |
| Trinidad | 18,420 | 1,223 |
| Total | 5,046,917 | 297,093 |
| Imperial County | 1,106,579 | 76,625 |
| Brawley | 639,356 | 46,936 |
| Calexico | 840,275 | 51,407 |
| Calipatria | 57,319 | 6,311 |
| El Centro | 1,357,306 | 88,757 |
| Holtville | 90,441 | 11,220 |
| Imperial City | 134,288 | 10,334 |
| Westmorland | 30,863 | 3,883 |
| Total | 4,256,427 | 295,473 |
| Inyo County | 457,351 | 31,271 |
| Bishop | 680,101 | 28,054 |
| Total | 1,137,452 | 59,325 |
| Kern County | 8,430,481 | 577,264 |
| Arvin | 182,710 | 17,553 |
| Bakersfield | 10,442,178 | 496,541 |
| California City | 27,263 | 5,666 |
| Delano | 812,475 | 55,046 |
| Maricopa | 19,498 | 1,991 |
| McFarland | 57,891 | 10,702 |
| Ridgecrest | 768,460 | 32,470 |
| Shafter | 311,792 | 22,247 |
| Taft | 480,199 | 24,214 |
| Tehachapi | 149,201 | 13,055 |
| Wasco | 245,047 | 24,963 |
| Total | 21,927,195 | 1,301,712 |
| Kings County | 910,116 | 61,872 |
| Corcoran | 366,895 | 22,793 |
| Hanford | 1,405,993 | 80,394 |
| Lemoore | 254,986 | 22,945 |
| Total | 2,937,990 | 188,004 |
| Lake County | 1,009,118 | 68,567 |
| Lakeport | 282,185 | 15,966 |
| Total | 1,291,303 | 84,533 |
| Lassen County | 277,120 | 18,428 |
| Susanville | 470,276 | 28,415 |
| Total | 747,396 | 46,843 |
| Los Angeles County | 24,972,757 | 1,721,387 |
| Alhambra | 3,275,227 | 221,541 |
| Arcadia | 3,369,009 | 195,437 |
| Artesia | 701,925 | 50,787 |
| Avalon | 151,054 | 7,737 |
| Azusa | 1,237,373 | 88,668 |
| Baldwin Park | 1,150,942 | 126,123 |
| Bell | 832,927 | 68,476 |
| Bellflower | 2,405,085 | 176,345 |
| Bell Gardens | 747,645 | 80,687 |
| Beverly Hills | 6,033,803 | 253,152 |
| Bradbury | 294 | 1,606 |
| Burbank | 5,299,975 | 338,061 |
| Carson | 6,777,912 | 363,542 |
| Cerritos | 4,537,882 | 233,400 |
| Claremont | 647,920 | 74,158 |
| Commerce | 8,401,210 | 292,758 |
| Compton | 2,076,305 | 214,036 |
| Covina | 2,924,030 | 156,736 |
| Cudahy[b] | 380,171 | 43,955 |
| Culver City | 5,204,921 | 417,874 |
| Downey | 5,740,641 | 350,785 |
| Duarte | 374,347 | 39,840 |
| El Monte | 4,217,437 | 267,637 |
| El Segundo | 6,334,753 | 212,300 |
| Gardena | 2,680,416 | 171,511 |
| Glendale | 9,022,528 | 538,909 |
| Glendora | 1,453,230 | 109,580 |
| Hawaiian Gardens | 338,238 | 29,400 |
| Hawthorne | 3,455,282 | 213,840 |
| Hermosa Beach | 674,921 | 57,445 |
| Hidden Hills | 6,333 | 3,138 |
| Huntington Park | 2,141,696 | 140,230 |
| Industry | 6,317,631 | 203,722 |
| Inglewood | 3,896,216 | 295,497 |
| Irwindale | 945,653 | 31,745 |
| La Canada Flintridge | 619,737 | 96,776 |
| La Habra Heights[a] | 5,430 | 8,056 |
| Lakewood | 3,282,146 | 261,703 |
| La Mirada | 2,009,765 | 146,272 |
| La Puente | 2,795,499 | 210,392 |
| Lancaster | 1,033,933 | 92,309 |
| La Verne | 578,692 | 55,402 |
| Lawndale | 1,069,544 | 81,106 |
| Lomita | 512,308 | 54,538 |
| Long Beach | 15,709,550 | 1,181,820 |
| Los Angeles City | 148,848,860 | 14,139,161 |
| Lynwood | 1,475,733 | 128,345 |
| Manhattan Beach | 1,230,154 | 105,750 |
| Maywood | 390,523 | 44,504 |
| Monrovia | 1,632,587 | 109,648 |
| Montebello | 3,227,839 | 194,695 |
| Monterey Park | 1,915,214 | 158,555 |
| Norwalk | 3,666,770 | 283,163 |
| Palmdale | 630,993 | 41,394 |
| Palos Verdes Est. | 110,595 | 31,099 |
| Paramount | 2,416,967 | 142,287 |
| Pasadena | 7,695,700 | 459,129 |
| Pico Rivera | 2,194,914 | 171,037 |
| Pomona | 5,644,133 | 346,062 |
| Rancho Palos Verdes | 188,292 | 118,484 |
| Redondo Beach | 2,529,264 | 203,624 |
| Rolling Hills | 3,601 | 3,976 |
| Rolling Hills Est. | 572,025 | 32,583 |
| Rosemead | 1,471,567 | 123,020 |
| San Dimas | 426,387 | 50,924 |
| San Fernando | 1,076,021 | 65,272 |
| San Gabriel | 1,772,333 | 112,284 |
| San Marino | 233,700 | 34,044 |
| Santa Fe Springs | 5,575,740 | 206,589 |
| Santa Monica | 5,960,629 | 633,568 |
| Sierra Madre | 119,205 | 26,781 |
| Signal Hill | 2,016,644 | 74,496 |

## TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1978–79—Continued

(In dollars)

| Jurisdiction | Revenue distributed | |
|---|---|---|
| | Local sales and use taxes | State cigarette tax |
| 1 | 2 | 3 |
| Los Angeles County —Continued | | |
| South El Monte | 1,947,037 | 94,502 |
| South Gate | 2,531,131 | 194,784 |
| South Pasadena | 606,823 | 63,553 |
| Temple City | 532,493 | 84,698 |
| Torrance | 10,256,603 | 589,456 |
| Vernon | 4,372,260 | 142,274 |
| Walnut | 66,172 | 22,370 |
| West Covina | 4,089,195 | 269,046 |
| Whittier | 4,569,392 | 282,961 |
| Total | 398,641,779 | 29,764,537 |
| Madera County | 844,277 | 56,531 |
| Chowchilla | 243,712 | 16,696 |
| Madera City | 1,200,216 | 73,604 |
| Total | 2,288,205 | 146,831 |
| Marin County | 1,049,869 | 72,567 |
| Belvedere | 25,956 | 5,861 |
| Corte Madera | 823,132 | 42,614 |
| Fairfax | 148,036 | 19,220 |
| Larkspur | 480,199 | 37,729 |
| Mill Valley | 554,280 | 42,201 |
| Novato | 1,305,229 | 115,357 |
| Ross[c] | 17,257 | 5,789 |
| San Anselmo | 431,428 | 38,282 |
| San Rafael | 4,640,089 | 233,358 |
| Sausalito | 761,634 | 35,553 |
| Tiburon | 169,964 | 18,257 |
| Total | 10,410,093 | 666,788 |
| Mariposa County | 434,911 | 29,412 |
| Mendocino County | 1,291,045 | 87,256 |
| Fort Bragg | 471,764 | 24,348 |
| Point Arena | 18,762 | 1,576 |
| Ukiah | 1,162,339 | 58,940 |
| Willits | 436,268 | 21,666 |
| Total | 3,380,178 | 193,786 |
| Merced County | 1,323,309 | 91,196 |
| Atwater | 314,622 | 38,445 |
| Dos Palos | 178,809 | 11,082 |
| Gustine | 75,534 | 8,072 |
| Livingston | 92,242 | 10,902 |
| Los Banos | 551,971 | 36,546 |
| Merced City | 2,259,581 | 133,575 |
| Total | 4,796,068 | 329,820 |
| Modoc County | 107,005 | 7,136 |
| Alturas | 220,454 | 12,607 |
| Total | 327,459 | 19,743 |
| Mono County | 521,383 | 35,491 |
| Monterey County | 1,649,776 | 113,669 |
| Carmel | 803,360 | 35,184 |
| Del Rey Oaks | 72,225 | 5,816 |
| Gonzales | 89,793 | 7,934 |
| Greenfield | 82,573 | 9,223 |
| King City | 332,542 | 20,480 |
| Marina | 181,517 | 49,116 |
| Monterey City | 2,302,429 | 128,190 |
| Pacific Grove | 500,179 | 49,251 |
| Salinas | 5,195,613 | 309,775 |
| Sand City | 96,144 | 3,384 |
| Seaside | 1,189,032 | 111,081 |
| Soledad | 118,282 | 14,411 |
| Total | 12,613,465 | 857,514 |
| Napa County | 1,515,370 | 104,303 |
| Calistoga | 110,395 | 9,940 |
| Napa City | 2,021,261 | 155,663 |
| St. Helena | 283,460 | 16,938 |
| Yountville | 71,720 | 7,847 |
| Total | 4,002,206 | 294,691 |
| Nevada County | 1,238,318 | 84,095 |
| Grass Valley | 641,049 | 32,015 |
| Nevada City | 230,009 | 11,996 |
| Total | 2,109,376 | 128,106 |
| Orange County | 7,123,957 | 475,422 |
| Anaheim | 14,878,818 | 854,505 |
| Brea | 1,726,638 | 102,377 |
| Buena Park | 4,952,953 | 280,100 |
| Costa Mesa | 9,369,352 | 446,701 |
| Cypress[b] | 1,199,589 | 114,991 |
| Fountain Valley | 2,017,539 | 165,421 |
| Fullerton | 5,773,642 | 370,179 |
| Garden Grove | 5,370,156 | 403,614 |
| Huntington Beach | 7,251,337 | 534,407 |
| Irvine | 5,243,455 | 249,891 |
| Laguna Beach | 1,007,435 | 63,578 |
| La Habra | 2,360,445 | 160,421 |
| La Palma | 286,730 | 37,966 |
| Los Alamitos | 1,059,814 | 57,278 |
| Newport Beach | 5,371,318 | 287,316 |
| Orange City | 7,971,225 | 417,375 |
| Placentia | 1,015,885 | 94,853 |
| San Clemente | 931,828 | 75,295 |
| San Juan Capistrano | 628,843 | 52,837 |
| Santa Ana | 13,485,623 | 775,323 |
| Seal Beach | 565,128 | 70,342 |
| Stanton | 1,313,976 | 87,222 |
| Tustin | 2,532,193 | 140,566 |
| Villa Park | 91,247 | 16,517 |
| Westminster | 4,597,678 | 273,784 |
| Yorba Linda | 349,006 | 58,214 |
| Total | 108,475,812 | 6,668,499 |
| Placer County | 2,324,211 | 158,706 |
| Auburn | 756,971 | 37,507 |
| Colfax | 129,465 | 5,633 |
| Lincoln | 201,310 | 13,905 |
| Rocklin | 151,854 | 15,506 |
| Roseville | 2,122,584 | 108,563 |
| Total | 5,686,335 | 339,820 |
| Plumas County | 612,936 | 41,453 |
| Portola | 65,618 | 5,403 |
| Total | 678,554 | 46,856 |
| Riverside County | 6,787,355 | 470,559 |
| Banning | 537,546 | 40,489 |
| Beaumont | 312,477 | 22,013 |
| Blythe | 389,642 | 32,735 |
| Coachella | 327,909 | 27,115 |
| Corona | 2,020,331 | 133,598 |
| Desert Hot Springs | 108,292 | 11,609 |
| Hemet | 1,437,683 | 83,776 |
| Indian Wells | 58,210 | 4,450 |
| Indio | 1,962,819 | 99,837 |
| Lake Elsinore | 383,153 | 22,683 |
| Norco | 270,360 | 44,716 |
| Palm Desert | 663,153 | 48,019 |
| Palm Springs | 2,868,631 | 132,560 |
| Perris | 271,207 | 20,168 |
| Rancho Mirage | 480,660 | 26,790 |
| Riverside City | 9,249,480 | 589,546 |
| San Jacinto | 146,674 | 16,293 |
| Total | 28,496,582 | 1,846,953 |
| Sacramento County | 22,939,406 | 1,368,150 |
| Folsom | 355,438 | 29,406 |
| Galt | 265,501 | 18,358 |
| Isleton | 39,555 | 3,033 |
| Sacramento | 17,103,236 | 1,056,005 |
| Total | 40,703,236 | 2,674,952 |
| San Benito County | 169,846 | 11,439 |
| Hollister | 561,552 | 34,399 |
| San Juan Bautista | 37,200 | 3,454 |
| Total | 768,598 | 49,292 |
| San Bernardino County | 7,602,346 | 527,212 |
| Adelanto | 43,676 | 5,894 |
| Barstow | 1,190,643 | 73,431 |
| Chino | 1,042,958 | 98,912 |
| Colton | 1,379,721 | 82,936 |
| Fontana | 1,238,885 | 87,493 |
| Grand Terrace[a] | 44,496 | 11,054 |
| Loma Linda | 156,377 | 26,839 |
| Montclair | 2,801,213 | 131,099 |
| Needles | 246,175 | 15,902 |
| Ontario | 3,656,261 | 249,580 |
| Rancho Cucamonga | 1,087,787 | 106,857 |
| Redlands | 1,746,653 | 126,861 |
| Rialto | 1,120,424 | 96,338 |
| San Bernardino | 9,777,436 | 518,967 |
| Upland | 1,823,991 | 135,739 |
| Victorville | 1,517,777 | 72,738 |
| Total | 36,476,819 | 2,367,852 |
| San Diego County | 8,400,096 | 576,786 |
| Carlsbad | 2,357,332 | 126,716 |
| Chula Vista | 3,406,962 | 260,018 |
| Coronado | 442,490 | 57,235 |
| Del Mar | 185,195 | 15,489 |
| El Cajon | 6,166,852 | 322,721 |
| Escondido | 5,356,271 | 278,678 |
| Imperial Beach | 271,486 | 48,780 |
| La Mesa | 3,601,355 | 215,839 |
| Lemon Grove | 1,055,584 | 87,789 |
| National City | 3,905,361 | 212,289 |
| Oceanside | 2,301,129 | 199,509 |
| San Diego City | 42,601,221 | 2,853,877 |
| San Marcos | 822,628 | 53,845 |
| Vista | 1,114,445 | 94,970 |
| Total | 81,988,407 | 5,404,541 |
| City and County of San Francisco | 42,788,505 | 2,941,188 |
| San Joaquin County | 3,912,329 | 266,473 |
| Escalon | 177,095 | 10,732 |
| Lodi | 2,041,849 | 126,562 |
| Manteca | 1,149,914 | 74,108 |
| Ripon | 124,988 | 9,720 |
| Stockton | 8,898,505 | 523,180 |
| Tracy | 597,...25 | 49,886 |
| Total | 16,901,705 | 1,060,681 |

## TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1978–79—Concluded

(In dollars)

| Jurisdiction | Revenue distributed | |
|---|---|---|
| | Local sales and use taxes | State cigarette tax |
| 1 | 2 | 3 |
| San Luis Obispo County | 1,715,063 | 117,144 |
| Arroyo Grande | 471,707 | 34,470 |
| Grover City | 197,070 | 21,361 |
| Morro Bay | 447,716 | 31,118 |
| Paso Robles | 783,576 | 40,145 |
| Pismo Beach | 266,784 | 17,747 |
| San Luis Obispo | 2,385,036 | 141,102 |
| Total | 6,266,952 | 403,087 |
| San Mateo County | 4,928,620 | 342,974 |
| Atherton | 16,190 | 16,001 |
| Belmont | 588,271 | 66,317 |
| Brisbane | 354,978 | 22,671 |
| Burlingame | 3,489,113 | 163,064 |
| Colma | 1,036,798 | 33,945 |
| Daly City | 3,188,822 | 237,166 |
| Foster City | 514,170 | 57,267 |
| Half Moon Bay [b] | 207,921 | 18,897 |
| Hillsborough | 47,422 | 18,256 |
| Menlo Park | 1,761,541 | 108,233 |
| Millbrae | 1,132,804 | 75,159 |
| Pacifica | 531,432 | 90,821 |
| Portola Valley | 35,121 | 10,489 |
| Redwood City | 3,620,243 | 219,325 |
| San Bruno | 2,275,017 | 146,002 |
| San Carlos | 2,158,402 | 118,132 |
| San Mateo | 4,833,791 | 300,839 |
| S. San Francisco | 4,133,102 | 222,093 |
| Woodside | 88,434 | 12,816 |
| Total | 35,142,192 | 2,280,509 |
| Santa Barbara County | 3,485,151 | 257,583 |
| Carpinteria | 334,129 | 29,484 |
| Guadalupe | 68,066 | 8,274 |
| Lompoc | 975,704 | 80,762 |
| Santa Barbara City | 5,561,470 | 317,044 |
| Santa Maria | 3,133,206 | 167,564 |
| Total | 13,557,726 | 840,711 |
| Santa Clara County | 8,927,169 | 613,576 |
| Campbell | 2,668,089 | 141,647 |
| Cupertino | 2,635,848 | 128,275 |
| Gilroy | 1,082,995 | 68,429 |
| Los Altos | 1,035,832 | 86,576 |
| Los Altos Hills | 35,009 | 14,997 |
| Los Gatos | 1,637,902 | 100,626 |
| Milpitas | 1,132,565 | 98,587 |
| Monte Sereno | 1,169 | 6,356 |
| Morgan Hill | 500,779 | 44,152 |
| Mountain View | 5,221,721 | 279,799 |
| Palo Alto | 5,140,289 | 278,901 |
| San Jose | 26,162,647 | 1,931,232 |
| Santa Clara City | 10,045,127 | 490,509 |
| Saratoga | 346,542 | 68,024 |
| Sunnyvale | 6,025,899 | 394,822 |
| Total | 72,629,582 | 4,746,508 |
| Santa Cruz County | 2,041,949 | 140,769 |
| Capitola | 805,903 | 41,326 |
| Santa Cruz | 2,761,258 | 162,771 |
| Scotts Valley | 380,339 | 24,116 |
| Watsonville | 1,661,837 | 92,709 |
| Total | 7,651,286 | 461,891 |
| Shasta County | 1,414,312 | 95,892 |
| Anderson | 290,702 | 21,137 |
| Redding | 4,638,834 | 228,187 |
| Total | 6,343,848 | 345,216 |
| Sierra County | 48,212 | 3,295 |
| Loyalton | 32,673 | 2,766 |
| Total | 80,885 | 6,061 |
| Siskiyou County | 363,127 | 25,192 |
| Dorris | 17,388 | 2,157 |
| Dunsmuir | 73,160 | 6,770 |
| Etna | 23,805 | 1,993 |
| Fort Jones | 32,391 | 1,983 |
| Montague | 35,172 | 2,843 |
| Mount Shasta | 219,059 | 11,358 |
| Tulelake | 72,836 | 4,037 |
| Weed | 159,398 | 10,629 |
| Yreka | 646,650 | 31,332 |
| Total | 1,642,987 | 98,794 |
| Solano County | 469,497 | 32,409 |
| Benicia | 416,225 | 36,735 |
| Dixon | 312,203 | 21,313 |
| Fairfield | 2,323,302 | 175,709 |
| Rio Vista | 288,432 | 15,160 |
| Suisun | 180,427 | 20,818 |
| Vacaville | 1,321,597 | 110,460 |
| Vallejo | 3,035,309 | 240,526 |
| Total | 8,343,992 | 653,130 |
| Sonoma County | 4,862,112 | 332,487 |
| Cloverdale | 136,799 | 11,541 |
| Cotati | 215,531 | 12,077 |
| Healdsburg | 765,616 | 36,745 |
| Petaluma | 1,589,139 | 110,741 |
| Rohnert Park | 478,962 | 48,853 |
| Santa Rosa | 4,855,906 | 292,791 |
| Sebastopol | 409,552 | 22,182 |
| Sonoma City | 372,293 | 22,646 |
| Total | 13,685,910 | 890,065 |
| Stanislaus County | 3,834,813 | 264,431 |
| Ceres | 621,111 | 39,463 |
| Hughson | 82,764 | 7,720 |
| Modesto | 6,066,381 | 372,612 |
| Newman | 121,984 | 8,893 |
| Oakdale | 457,124 | 29,879 |
| Patterson | 185,776 | 13,454 |
| Riverbank | 121,527 | 13,292 |
| Turlock | 1,457,082 | 85,584 |
| Waterford | 60,765 | 6,362 |
| Total | 13,029,327 | 841,720 |
| Sutter County | 921,820 | 65,868 |
| Live Oak | 51,880 | 6,971 |
| Yuba City | 1,611,260 | 82,094 |
| Total | 2,584,960 | 154,953 |
| Tehama County | 524,065 | 35,617 |
| Corning | 305,690 | 18,020 |
| Red Bluff | 698,676 | 39,954 |
| Tehama City | 1,732 | 727 |
| Total | 1,530,183 | 93,618 |
| Trinity County | 286,916 | 19,415 |
| Tulare County | 2,694,949 | 183,103 |
| Dinuba | 348,543 | 29,193 |
| Exeter | 176,815 | 15,635 |
| Farmersville | 63,223 | 10,773 |
| Lindsay | 309,461 | 22,890 |
| Porterville | 1,273,822 | 71,819 |
| Tulare | 1,421,586 | 82,384 |
| Visalia | 4,154,454 | 208,339 |
| Woodlake | 83,626 | 10,137 |
| Total | 10,526,479 | 634,273 |
| Tuolumne County | 896,862 | 60,987 |
| Sonora | 530,614 | 23,876 |
| Total | 1,427,476 | 84,863 |
| Ventura County | 2,563,786 | 171,662 |
| Camarillo | 1,321,283 | 96,426 |
| Fillmore | 343,715 | 27,261 |
| Ojai | 309,736 | 21,478 |
| Oxnard | 4,902,587 | 336,908 |
| Port Hueneme | 393,304 | 47,370 |
| San Buenaventura | 4,406,770 | 267,691 |
| Santa Paula | 595,697 | 54,632 |
| Simi Valley | 1,760,381 | 194,606 |
| Thousand Oaks | 3,806,249 | 240,017 |
| Total | 20,403,508 | 1,458,051 |
| Yolo County | 2,692,453 | 187,301 |
| Davis | 1,087,065 | 101,805 |
| Winters | 55,331 | 6,782 |
| Woodland | 1,574,025 | 101,022 |
| Total | 5,408,876 | 396,910 |
| Yuba County | 606,618 | 41,928 |
| Marysville | 1,136,863 | 54,078 |
| Wheatland | 23,597 | 3,552 |
| Total | 1,769,078 | 99,558 |
| Amounts distributed to: | | |
| City and County of San Francisco | 42,788,505 | 2,941,188 |
| Counties other than San Francisco | 134,925,819 | 12,171,215 |
| Cities other than San Francisco | 1,006,784,954 | 66,178,708 |
| Grand totals | 1,183,399,278 | 81,291,111 |

[a] During the fiscal year, two cities became incorporated: Grand Terrace in November 1978, and La Habra Heights in December 1978. Their sales tax ordinances became effective January 1, 1979. Distributions of tax are for only four months.

[b] If overpayments or misallocations had not been made in the prior fiscal year, the distributions in 1978–79 to the following jurisdictions would have been higher by the amounts shown: Cudahy, $968; Cypress, $94,908; Half Moon Bay $1,384; Richmond, $88,188; and San Joaquin City, $1,033.

[c] Distributions during 1978–79 include the following overpayments which will be deducted from 1979–80 allocations: Hercules, $358,237; and Ross, $282.

## TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1978–79

| County | Revenue distributed[b] | County | Revenue distributed[b] | County | Revenue distributed[b] |
|---|---|---|---|---|---|
| 1 | 2 | 1 | 2 | 1 | 2 |
| Alameda | 14,372,445 | Marin | 2,598,671 | San Mateo | 8,848,829 |
| Alpine | 12,199 | Mariposa | 107,876 | Santa Barbara | 3,379,723 |
| Amador | 179,372 | Mendocino | 844,266 | Santa Clara | 18,175,427 |
| Butte | 1,614,253 | Merced | 1,197,773 | Santa Cruz | 1,911,482 |
| Calaveras | 153,483 | Modoc | 81,708 | Shasta | 1,581,248 |
| Colusa | 196,822 | Mono | 129,241 | Sierra | 20,122 |
| Contra Costa | 7,951,861 | Monterey | 3,147,045 | Siskiyou | 409,825 |
| Del Norte | 181,437 | Napa | 998,332 | Solano | 2,084,067 |
| El Dorado | 859,943 | Nevada | 525,140 | Sonoma | 3,418,370 |
| Fresno | 6,924,108 | Orange | 27,126,429 | Stanislaus | 3,254,968 |
| Glenn | 241,147 | Placer | 1,424,184 | Sutter | 644,253 |
| Humboldt | 1,261,567 | Plumas | 170,388 | Tehama | 381,918 |
| Imperial | 1,065,084 | Riverside | 7,121,899 | Trinity | 71,662 |
| Inyo | 284,351 | Sacramento | 10,157,948 | Tulare | 2,628,166 |
| Kern | 5,494,299 | San Benito | 191,183 | Tuolumne | 356,910 |
| Kings | 734,779 | San Bernardino | 9,131,878 | Ventura | 5,107,049 |
| Lake | 322,839 | San Diego | 20,504,451 | Yolo | 1,347,151 |
| Lassen | 186,714 | San Francisco | 10,678,962 | Yuba | 440,757 |
| Los Angeles | 97,455,661 | San Joaquin | 4,226,153 | | |
| Madera | 571,803 | San Luis Obispo | 1,561,599 | Total | 296,051,245 |

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $2,434,819 and the Business and Transportation Agency's administrative charge of $317,990.

## TABLE 21C—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JUNE 30, 1979

| County | City rate[a] | Cities | County | City rate[a] | Cities |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 1 | 2 | 3 |
| Alameda | .95 | All cities | Orange | 1.00 | All cities |
| Alpine | – | No incorporated cities | Placer | 1.00 | All cities |
| Amador | 1.00 | All cities | Plumas | .95 | Portola |
| Butte | 1.00 | All cities | Riverside | .995 | Palm Springs/Indian Wells |
| Calaveras | .95 | Angels Camp | | .98 | Norco/Corona |
| | | | | .99 | All other cities |
| Colusa | 1.00 | All cities | | | |
| Contra Costa | .975 | All cities | Sacramento | 1.00 | All cities |
| Del Norte | 1.00 | All cities | San Benito | 1.00 | All cities |
| El Dorado | 1.00 | All cities | | | |
| Fresno | .99 | Fresno | San Bernardino | 1.00 | All cities |
| | 1.00 | All other cities | San Diego | 1.00 | All cities |
| Glenn | 1.00 | All cities | San Francisco | 1.00 | – |
| Humboldt | 1.00 | All cities | San Joaquin | 1.00 | Stockton/Tracy/Manteca/Lodi |
| Imperial | .95 | Calexico | | | |
| | .90 | All other cities | | .95 | All other cities |
| Inyo | 1.00 | All cities | San Luis Obispo | 1.00 | All cities |
| | | | San Mateo | .95 | All cities |
| Kern | .95 | Taft/Wasco | Santa Barbara | 1.00 | All cities |
| | .951 | Bakersfield | Santa Clara | .91 | All cities |
| | .982 | Delano | Santa Cruz | 1.00 | All cities |
| | .99 | Shafter | | | |
| | 1.00 | All other cities | Shasta | 1.00 | All cities |
| | | | Sierra | .95 | Loyalton |
| Kings | .95 | Hanford | Siskiyou | 1.00 | All cities |
| | .98 | Corcoran/Lemoore | | | |
| Lake | 1.00 | All cities | Solano | 1.00 | All cities |
| Lassen | .95 | Susanville | | | |
| Los Angeles | 1.00 | All cities | Sonoma | .95 | All cities |
| | | | Stanislaus | 1.00 | Ceres/Riverbank |
| Madera | 1.00 | All cities | | .925 | All other cities |
| Marin | 1.00 | All cities | | | |
| Mariposa | – | No incorporated cities | Sutter | 1.00 | All cities |
| Mendocino | 1.00 | All cities | | | |
| Merced | .925 | Merced | Tehama | 1.00 | Tehama |
| | .95 | Los Banos | | .90 | All other cities |
| | 1.00 | All other cities | Trinity | – | No incorporated cities |
| | | | Tulare | .95 | All cities |
| Modoc | .90 | Alturas | Tuolumne | .95 | Sonora |
| Mono | – | No incorporated cities | Ventura | 1.00 | Ojai |
| Monterey | 1.00 | All cities | | .967 | All other cities |
| Napa | .855 | All cities | Yolo | 1.00 | All cities |
| Nevada | 1.00 | All cities | Yuba | 1.00 | All cities |

[a] Each city's tax rate is credited against the county's one percent tax.

## TABLE 22—LOCAL SALES TAXES, DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1978–79

| Fiscal year | Net amount distributed (in thousands) | | | | Administrative cost rate per $100 collected [d] | Administrative charge [e] (in thousands) |
|---|---|---|---|---|---|---|
| | County transportation tax [a] | Local sales tax [b] | | | | |
| | | To counties [c] | To cities | Total | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1978–79 | $296,051 | $177,614 | $1,005,785 | $1,479,451 | .82 | $12,402 |
| 1977–78 | 257,221 | 192,488 | 837,756 | 1,287,465 | .82 | 10,798 |
| 1976–77 | 219,309 | 167,516 | 709,664 | 1,096,489 | .82 | 9,257 |
| 1975–76 | 190,348 | 147,670 | 618,406 | 956,424 | .82 | 8,031 |
| 1974–75 | 172,343 | 136,047 | 559,337 | 867,727 | .82 | 7,253 |
| 1973–74 | 158,087 | 124,964 | 513,282 | 796,333 | .82 | 6,560 |
| 1972–73 | 110,010 [f] | 105,678 | 447,986 | 663,674 | .82 [g] | 5,521 |
| 1971–72 | — | 91,117 | 387,977 | 479,094 | 1.01 | 4,891 |
| 1970–71 | — | 82,337 | 347,766 | 430,103 | 1.09 | 4,652 |
| 1969–70 | — | 80,691 | 345,626 | 426,317 | 1.10 | 4,696 |
| 1968–69 | — | 74,687 | 318,913 | 393,600 | 1.13 | 4,544 |
| 1967–68 | — | 73,227 | 300,530 | 373,757 [h] | 1.23 [i] | 4,926 |
| 1966–67 | — | 68,097 | 270,241 | 338,338 | 1.50 | 5,162 |
| 1965–66 | — | 64,337 | 254,851 | 319,188 | 1.53 | 4,871 |
| 1964–65 | — | 62,063 | 239,455 | 301,518 | 1.50 | 4,610 |
| 1963–64 | — | 59,242 | 222,908 | 282,150 | 1.53 | 4,386 |
| 1962–63 | — | 55,786 [j] | 205,435 | 261,221 [j] | 1.53 | 4,077 |
| 1961–62 | — | 53,763 | 186,881 | 240,644 | 1.57 | 3,856 |
| 1960–61 | — | 51,793 | 174,505 | 226,298 | 1.60 | 3,650 |
| 1959–60 | — | 52,396 | 162,749 | 215,145 [k] | 1.50 | 3,348 |
| 1958–59 | — | 44,835 | 144,968 | 159,803 [l] | 1.64 | 3,134 |
| 1957–58 | — | 29,473 | 132,442 | 161,915 | 1.72 | 2,837 |
| 1956–57 | — | 21,257 | 103,220 | 124,477 | 1.65 | 2,743 |

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $2,753,800 in 1978–79.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1973, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $666,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1958–63.

[k] Excludes $3,885,730 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,885,730 discussed in the previous footnote.

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ¼ of one percent as follows:

r Revised

| Fiscal Year | BARTD | SCRTD | SCCTD | SCMTD | Administrative Charge |
|---|---|---|---|---|---|
| 1978–79 | $54,740,000 | $172 | $35,386,000 | $1,037,000 | $1,587,000 |
| 1977–78 | 50,704,000r | -0- | 29,976,000 | — | 1,404,000 |
| 1976–77 | 47,388,000 | 1,000 | 12,807,000 | — | 985,817 |
| 1975–76 | 48,930,000 | 304,000 | — | — | 713,051 |
| 1974–75 | 20,882,000 | 401,000 | — | — | 688,394 |
| 1973–74 | 35,386,000 | 257,000 | — | — | 599,000 |
| 1972–73 | 31,085,000 | 288,000 | — | — | 585,000 |
| 1971–72 | 27,770,000 | 585,000 | — | — | 577,000 |
| 1970–71 | 24,880,000 | 25,980,000 | — | — | 1,333,000 |
| 1969–70 | 1,370,000 | — | — | — | 896,000 |

## TABLE 23—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1978–79

| Fiscal year | Gasoline | | | | Jet fuel tax | |
|---|---|---|---|---|---|---|
| | Taxable distributions (in thousands of gallons) | Revenue [a] (in thousands) | Refunds (in thousands) | Tax-paying distributors on June 30 [b] | Taxable distributions (in thousands of gallons) | Revenue [a] (in thousands) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1978–79 | 11,916,829 | $836,473 | $21,716 | 77 | 46,422 | $941 |
| 1977–78 | 11,571,880 | 810,080 | 18,866 | 76 | 34,459 [r] | 698 [r] |
| 1976–77 | 10,995,857 | 769,978 | 15,775 | 84 | 27,445 | 551 |
| 1975–76 | 10,530,404 | 737,100 | 14,808 | 77 | 23,583 | 474 |
| 1974–75 | 10,141,120 | 709,899 | 13,347 | 72 | 20,494 | 411 |
| 1973–74 | 10,019,253 | 701,400 | 15,271 | 49 | 19,284 | 390 |
| 1972–73 | 10,253,806 | 715,683 | 15,244 | 49 | 17,941 | 360 |
| 1971–72 | 9,748,850 | 682,492 | 13,360 | 48 | 14,463 | 292 |
| 1970–71 | 9,232,664 | 646,312 | 13,401 | 58 | 12,043 | 245 |
| 1969–70 | 8,939,785 | 641,968 [c] | 13,437 | 52 | 8,057 [d] | 163 [d] |
| 1968–69 | 8,494,058 | 601,783 [c] | 14,506 | 53 | — | — |
| 1967–68 | 8,057,506 | 564,038 | 14,012 | 63 | — | — |
| 1966–67 | 7,649,736 | 535,498 | 15,560 | 59 | — | — |
| 1965–66 | 7,395,411 | 529,619 [e] | 17,234 | 63 | — | — |
| 1964–65 | 7,041,337 | 510,954 [e] | 15,981 | 61 | — | — |
| 1963–64 | 6,732,890 | 484,196 [f] | 14,690 | 63 | — | — |
| 1962–63 | 6,331,380 | 379,883 | 14,846 | 71 | — | — |
| 1961–62 | 5,995,532 | 359,730 | 15,361 | 81 | — | — |
| 1960–61 | 5,794,324 | 347,668 | 17,208 | 80 | — | — |
| 1959–60 | 5,626,387 [g] | 337,588 [g] | 20,814 | 89 | — | — |
| 1958–59 | 5,404,848 | 324,295 | 21,410 | 88 | — | — |
| 1957–58 | 5,117,693 | 307,038 | 20,531 | 94 | — | — |
| 1956–57 | 4,938,732 | 295,982 | 20,786 | 100 | — | — |
| 1955–56 | 4,734,064 | 284,152 | 21,516 | 100 | — | — |
| 1954–55 | 4,484,151 | 269,576 | 26,198 | 103 | — | — |
| 1953–54 | 4,255,309 | 255,305 [h] | 26,068 | 88 | — | — |
| 1952–53 | 4,156,557 | 187,047 | 19,173 | 90 | — | — |
| 1951–52 | 3,878,273 | 174,527 | 19,595 | 100 | — | — |
| 1950–51 | 3,589,908 | 161,551 | 15,339 | 112 | — | — |
| 1945–50 | 14,909,732 | 568,832 [i] | — | 107 | | |
| 1940–45 | 9,167,652 | 275,029 | — | 122 | — | — |
| 1930–40 | 8,594,088 | 258,845 | — | 142 | — | — |
| 1925–30 | 6,790,740 | 201,695 | — | 88 | — | — |
| 1923–25 | 5,251,593 | 139,925 [j] | — | 92 | — | — |
| 1923–25 | 1,258,474 | 34,538 | — | 74 | — | — |

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1979 there were 68 fully-licensed distributors who incurred no tax liabilities during the year.

[c] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $13.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[d] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[e] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $10.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,169,000 including interest and penalties) and $13.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,151,000).

[f] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included: these amounted to $1,135,267, including interest and penalties.

[g] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 25.)

[h] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[i] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $669,000, including interest and penalties.

[j] Effective July 20, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[r] Revised.

## TABLE 24—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1977–78 AND 1978–79

| Name of company[a] | Gallons (in thousands) | | Tax[b] (in thousands) | |
|---|---|---|---|---|
| | 1977–78 | 1978–79 | 1977–78 | 1978–79 |
| 1 | 2 | 3 | 4 | 5 |
| Allied Petroleum | 2,858 | 3,041 | $300 | $213 |
| Aminoil | 147,524 | 146,097 | 10,327 | 10,227 |
| Amorient | 25,904 | 18,256 | 1,813 | 1,278 |
| Apex Oil Co. | 5,703 | 19,118 | 399 | 1,338 |
| Atlantic Richfield Company | 1,281,297 | 1,396,177 | 89,691 | 97,732 |
| Basin Petroleum | — | 13,743 | — | 962 |
| Bath, Daryl | 262 | 246 | 18 | 17 |
| Beacon Oil Company | 227,514 | 229,336 | 15,926 | 16,054 |
| Boyd, Kenneth W. | 244 | 250 | 17 | 18 |
| Caribou Four Corners | 613 | 436 | 43 | 31 |
| Chevron U.S.A. (Formerly Standard Oil Company) | 1,884,715 | 1,991,958 | 131,930 | 139,437 |
| Douglas Oil Company of California | 367,210 | 330,396 | 25,747 | 23,128 |
| Edgington Oil Company | 22,371 | 23,708 | 1,566 | 1,659 |
| Eureka Fuel Company | — | 552 | — | 39 |
| Exxon Corporation | 530,974 | 554,604 | 37,168 | 38,822 |
| Fletcher Oil and Refining | 116,868 | 120,971 | 8,181 | 8,468 |
| Golden Eagle Refining Company | 66,547 | 94,309 | 4,658 | 6,595 |
| Golden Gate Petroleum Company | 2,043 | 656 | 143 | 46 |
| Gulf Oil Corporation | 347,086 | 353,179 | 24,296 | 24,723 |
| Haydis, Austin L. | 520 | 357 | 36 | 25 |
| Humboldt Oil | 215 | 306 | 15 | 22 |
| Husky Oil Co. | — | 535 | — | 37 |
| Kern County Refinery | 58,866 | 62,992 | 4,121 | 4,369 |
| L & M Transportation | 1,433 | 1,062 | 100 | 74 |
| Lockheed Air Terminal | 2,108 | 1,611 | 148 | 113 |
| MacMillan Ring Free Oil Company | 50,369 | 43,901 | 3,526 | 3,073 |
| May, George | 140 | 233 | 10 | 16 |
| Merrilees, Anna | 336 | 329 | 24 | 23 |
| Milovich Bros. | 1,970 | 1,575 | 138 | 110 |
| Mobil Oil Corporation | 925,377 | 976,737 | 64,774 | 68,373 |
| Mohawk Petroleum Corp. | 250,746 | 273,896 | 17,552 | 19,173 |
| Newhall Refining Company | 25,348 | 39,825 | 1,774 | 2,788 |
| Norris Supply Company Inc. | 810 | 890 | 57 | 62 |
| Pacific Refining | 190,917 | 197,404 | 13,364 | 13,818 |
| Phillips Petroleum | 129 | 264 | 9 | 18 |
| Powerine Oil Company | 330,586 | 235,353 | 23,771 | 16,475 |
| R and M Petroleum | 486 | 522 | 34 | 37 |
| Sabre Refining Company | — | 11,855 | — | 830 |
| Sav-mox Oil Company | 118 | 240 | 8 | 17 |
| Shell Oil Company | 1,651,584 | 1,634,141 | 115,611 | 114,390 |
| Texaco Inc. | 801,362 | 758,745 | 56,095 | 53,112 |
| Time Oil Company | 49,861 | 56,280 | 3,490 | 3,940 |
| Tosco Corporation (Formerly Lion Oil Company) | 689,225 | 618,650 | 48,245 | 43,306 |
| UCO Terminals | 66,380 | 82,976 | 4,647 | 5,808 |
| Union Oil Co. | 1,294,805 | 1,366,830 | 90,636 | 95,678 |
| U.S.A. Petrochem | 79,999 | 117,136 | 5,600 | 8,200 |
| Western Fuel Co. | 969 | 1,071 | 68 | 75 |
| Western Mountain | 369 | 470 | 26 | 33 |
| Wickland Oil | 459 | 1,218 | 32 | 85 |
| World Oil Corporation (Formerly Sunland Refining) | 43,924 | 128,158 | 3,075 | 8,971 |
| Other distributors each paying less than $15,000 in 1978–79 | 5,892 | 2,092 | 412 | 145 |
| Adjustments[c] | 6,902 | 2,934 | 497 | 2,500 |
| Totals | 11,571,580 | 11,916,889 | $810,020 | $836,473 |

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 500 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $13,888,000 in 1977–78 and $11,716,000 in 1978–79 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

## TABLE 25—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1978–79

| Fiscal year | Taxable distributions (in thousands of gallons) Diesel | Total tax [a] (in thousands) | Self-assessed taxes (in thousands) Diesel | Self-assessed taxes (in thousands) LPG [1] | Active permits on December 31 Users | Active permits on December 31 Vendors | Tax paid at reduced rate by transit districts (in thousands) [c] |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1978–79 | 1,104,046 | $75,530 | $73,545 | $1,611 | 47,809 | 1,916 | $624 |
| 1977–78 | 987,853[r] | 67,764 | 65,715 | 1,658 | 44,739 | 1,813 | 553[r] |
| 1976–77 | 915,481 | 63,121 | 60,981[r] | 1,699 | 43,718 | 1,784 | 527 |
| 1975–76 | 827,487 | 56,857 | 55,263 | 1,448 | 42,988 | 1,714 | 507 |
| 1974–75 | 753,064 | 50,741 | 50,314 | 306 | 39,711 | 1,670 | 395 |
| 1973–74 | 770,854 | 52,164 | 51,887 | 289 | 36,493 | 1,687 | 382 |
| 1972–73 | 735,390 | 49,841 | 49,351 | 390 | 32,011 | 1,551 | 354 |
| 1971–72 | 674,292 | 45,961 | 45,155 | 509 | 28,987 | 1,507 | 330 |
| 1970–71 | 615,887 | 42,151 | 41,086 | 814 | 25,878 | 1,455 | 338 |
| 1969–70 | 579,903 | 40,496 | 39,511 [b] | 758 | 23,851 | 1,397 | 330 |
| 1968–69 | 543,093 | 37,612 | 36,597 [b] | 774 | 22,430 | 1,378 | 312 [e] |
| 1967–68 | 477,249 | 34,375 | 33,407 | 814 | 20,843 | 1,360 | - |
| 1966–67 | 435,900 | 31,480 | 30,513 | 828 | 19,507 | 1,315 | - |
| 1965–66 | 419,396 | 31,214 | 30,054 [d] | 1,028 [d,e] | 18,038 | 1,256 | - |
| 1964–65 | 387,014 | 29,495 | 28,098 [d] | 1,311 [d] | 17,391 | 1,216 | - |
| 1963–64 | 358,995 | 26,532 | 25,120 | 1,274 [f] | 16,238 | 1,217 | - |
| 1962–63 | 328,716 | 24,323 | 23,010 | 1,187 | 15,385 | 1,203 | - |
| 1961–62 | 306,660 | 22,871 | 21,468 | 1,291 | 14,670 | 1,195 | - |
| 1960–61 | 286,429 | 21,619 | 20,050 | 1,446 | 13,488 | 1,208 | - |
| 1959–60 | 280,157 | 20,837 | 19,600 | 1,064 [g] | 12,451 | 1,109 | - |
| 1958–59 | 267,247 | 18,812 | 18,694 | - | 10,192 | 801 | - |
| 1957–58 | 246,711 | 17,454 | 17,270 | - | 9,807 | 773 | - |
| 1956–57 | 237,481 | 16,886 | 16,684 | - | 9,530 | 862 | - |
| 1955–56 | 226,448 | 16,018 | 15,850 | - | 8,877 | 825 | |
| 1954–55 | 202,406 | 14,383 | 14,172 | - | 8,182 | 953 | - |
| 1953–54 | 183,043 | 12,873 | 12,738 [h] | - | 7,441 | 751 [i] | - |
| 1952–53 | 174,036 | 7,946 | 7,831 | - | 6,197 | - | - |
| 1951–52 | 150,693 | 6,885 | 6,780 | - | 5,166 | - | - |
| 1950–51 | 131,562 | 6,023 | 5,920 | - | 4,244 | - | - |
| 1945–50 | 406,706 | 16,527 | 16,238 [j] | - | 2,610 | - | - |
| 1940–45 | 205,397 | 6,235 | 6,162 | - | 1,051 | - | - |
| 1937–40 | 38,625 | 1,178 | 1,159 | - | n.a. | - | - |

[a] Includes interest and penalties which amounted to $374,307 during the 1978–79 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 1 which is on a cash basis.

[b] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $430,000 from distributions during the 1968–69 fiscal year and $637,000 during the 1969–70 year.

[c] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[d] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[e] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[f] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[g] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[h] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[i] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[j] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[k] These amounts are also included in columns 3 and 4.

[l] Beginning in December 1978, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $697 million during 1978–79, 50.3 percent of LPG taxes.

n.a. Not available.

[r] Revised.

## TABLE 26—TRANSPORTATION GROSS RECEIPTS TAX STATISTICS

This tax was repealed effective July 1, 1973. For historical data see the Board's 1975–76 Annual Report.

## TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1978–79 [a]

(In thousands of dollars)

| Fiscal year | Beer | Wine | | | Distilled spirits | Total |
|---|---|---|---|---|---|---|
| | | Still wines | | Champagne and sparkling wines | | |
| | | 14 percent alcohol or less | Over 14 percent alcohol | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1978–79 | $22,367 | $815 | $190 | $1,853 | $113,329 | $138,554 [b] |
| 1977–78 | 20,951 | 755 | 210 | 1,643 | 111,194 | 134,753 |
| 1976–77 | 19,945 | 690 | 212 | 1,304 | 105,468 | 127,709 |
| 1975–76 | 18,616 | 660 | 229 | 1,339 | 105,411 | 126,255 |
| 1974–75 | 18,057 | 605 | 231 | 1,219 | 101,447 | 121,559 |
| 1973–74 | 16,830 | 578 | 238 | 1,291 | 100,417 | 119,348 |
| 1972–73 | 15,788 | 550 | 264 | 1,386 | 96,758 | 114,686 |
| 1971–72 | 15,261 | 486 | 275 | 1,301 | 94,809 | 112,132 |
| 1970–71 | 13,847 | 444 | 262 | 1,273 | 90,780 | 106,606 |
| 1969–70 | 14,451 | 386 | 272 | 1,084 | 89,832 | 105,995 |
| 1968–69 | 12,743 | 316 | 266 | 785 | 85,546 | 99,676 |
| 1967–68 | 11,954 | 281 | 291 | 716 | 78,810 [c] | 92,052 |
| 1966–67 | 12,506 | 247 | 306 | 632 | 59,607 | 73,300 |
| 1965–66 | 11,629 | 235 | 320 | 537 | 57,438 | 70,159 |
| 1964–65 | 11,764 | 218 | 323 | 489 | 54,152 | 66,946 |
| 1963–64 | 10,148 | 200 | 337 | 405 | 50,703 | 61,796 |
| 1962–63 | 9,981 | 187 | 333 | 332 | 47,989 | 58,822 |
| 1961–62 | 9,442 | 169 | 343 | 313 | 45,283 | 55,550 |
| 1960–61 | 9,060 | 159 | 352 | 274 | 43,148 | 52,096 |
| 1959–60 | 9,316 [d] | 138 | 346 | 269 | 40,406 | 50,475 |
| 1958–59 | 4,392 | 115 | 353 | 206 | 37,329 | 42,395 |
| 1957–58 | 4,046 | 109 | 351 | 189 | 34,230 | 38,925 |
| 1956–57 | 3,847 | 105 | 331 | 181 | 34,784 [e] | 39,248 |
| 1955–56 | 3,803 | 104 | 338 | 151 [e] | 31,318 [f] | 35,902 |
| 1954–55 | 3,686 | 94 | 317 | 117 | 16,710 | 20,894 |
| 1953–54 | 3,477 | 90 | 330 | 102 | 15,715 | 19,714 |
| 1952–53 | 3,621 | 80 | 317 | 96 | 15,657 | 19,771 |
| 1951–52 | 3,315 | 74 | 279 | 81 | 14,436 | 18,185 |
| 1950–51 | 3,363 | 73 | 273 | 97 | 16,018 | 19,824 |
| 1945–50 | 16,105 | 289 | 1,360 | 392 | 72,011 | 90,157 |
| 1940–45 | 11,516 | 351 | 1,217 | 268 | 62,806 | 76,158 |
| 1935–40 | 7,823 | 220 [g] | 1,606 [h] | 91 | 40,276 | 50,016 |
| 1932–35 | 2,397 | — | 479 [i] | — | — | 2,876 |

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] Additional detail for 1978–79 are as follows:

| | Beer and wine | Distilled spirits |
|---|---|---|
| Collections based on audits | $532,090 | $623,789 |
| Transactions omitted from table: | | |
| Refunds | 90,005 | 89,401 |
| Interest and penalties | 112,506 | 46,744 |

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $5,808,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $368,170.

[e] Effective July 1, 1958, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1958, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,150,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Includes all types of wines. The tax rate was two cents per gallon on all wine and the different types were not reported separately.

## TABLE 28—APPARENT CONSUMPTION[a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1978–79

(In thousands of gallons)

| Fiscal year | Beer[b] | Wine | | | | Distilled spirits |
|---|---|---|---|---|---|---|
| | | Still wines | | Champagne and sparkling wines | Total wine consumption | |
| | | 14 percent alcohol or less | Over 14 percent alcohol | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1978–79 | 555,424 | 81,495 | 9,507 | 6,175 | 97,177 | 36,665 |
| 1977–78 | 526,724 | 75,538 | 10,489 | 5,475 | 91,502 | 35,597 |
| 1976–77 | 506,034 | 68,985 | 10,599 | 4,647 | 84,231 | 32,734 |
| 1975–76 | 471,996 | 65,988 | 11,456 | 4,463 | 81,909 | 32,706 |
| 1974–75 | 460,592 | 60,543 | 11,531 | 4,063 | 76,137 | 30,724 |
| 1973–74 | 431,001 | 57,761 | 11,391 | 4,304 | 73,456 | 30,208 |
| 1972–73 | 404,900 | 55,949 | 13,207 | 4,419 | 73,575 | 48,377 |
| 1971–72 | 395,645 | 48,555 | 13,768 | 4,337 | 66,660 | 47,405 |
| 1970–71 | 356,738 | 44,392 | 13,119 | 4,244 | 61,755 | 45,390 |
| 1969–70 | 373,129 | 38,568 | 13,584 | 3,412 | 55,564 | 44,916 |
| 1968–69 | 338,976 | 31,650 | 14,317 | 2,616 | 48,583 | 42,773 |
| 1967–68 | 308,936 | 28,103 | 14,543 | 2,386 | 45,032 | 40,629 |
| 1966–67 | 321,765 | 24,713 | 15,320 | 2,107 | 42,140 | 39,738 |
| 1965–66 | 256,711 | 23,509 | 15,990 | 1,791 | 41,290 | 38,292 |
| 1964–65 | 300,835 | 21,790 | 16,131 | 1,629 | 39,550 | 36,102 |
| 1963–64 | 281,145 | 20,312 | 16,848 | 1,350 | 38,510 | 33,802 |
| 1962–63 | 256,151 | 18,668 | 16,661 | 1,106 | 36,435 | 31,993 |
| 1961–62 | 242,761 | 16,851 | 17,239 | 1,044 | 35,134 | 30,189 |
| 1960–61 | 232,962 | 15,861 | 17,602 | 913 | 34,376 | 28,098 |
| 1959–60 | 238,120 | 13,761 | 17,299 | 898 | 31,958 | 26,937 |
| 1958–59 | 224,657 | 11,547 | 17,631 | 688 | 29,866 | 24,866 |
| 1957–58 | 207,081 | 10,901 | 17,555 | 630 | 29,086 | 22,820 |
| 1956–57 | 196,151 | 10,460 | 16,570 | 605 | 27,635 | 23,189 |
| 1955–56 | 192,973 | 10,447 | 16,324 | 502 | 27,273 | 21,012 |
| 1954–55 | 185,398 | 9,394 | 15,826 | 390 | 25,610 | 20,887 |
| 1953–54 | 177,629 | 8,987 | 16,507 | 396 | 25,890 | 19,644 |
| 1952–53 | 184,687 | 8,041 | 15,833 | 401 | 24,275 | 19,572 |
| 1951–52 | 168,847 | 7,431 | 13,969 | 336 | 21,736 | 18,045 |
| 1950–51 | 167,439 | 7,271 | 13,674 | 405 | 21,350 | 20,022 |
| 1945–50 | 801,687 | 29,022 | 67,996 | 1,625 | 98,643 | 90,014 |
| 1940–45 | 573,369 | 35,000 | 61,130 | 1,009 | 97,139 | 78,507 |
| 1935–40 | 387,414 | 37,121 | 65,384 | 683 | 103,068 | 50,345 |

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951: in 1978–79 this totaled 8,856,487 gallons. Prior to July 1951, such distributions were taxable.

## TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1978–79

(Consumption in gallons)

| Fiscal year | Population [b] | Per capita consumption | | |
|---|---|---|---|---|
| | | Beer [c] | Wines | Distilled spirits |
| 1 | 2 | 3 | 4 | 5 |
| 1978–79 | 22,471,000 | 24.72 | 4.32 | 2.52 |
| 1977–78 | 22,095,000[r] | 23.95 | 4.14 | 2.52 |
| 1976–77 | 21,718,000 | 23.30 | 3.88 | 2.43 |
| 1975–76 | 21,359,000 | 22.10 | 3.84 | 2.47 |
| 1974–75 | 20,998,000 | 21.94 | 3.63 | 2.42 |
| 1973–74 | 20,783,000 | 20.74 | 3.54 | 2.42 |
| 1972–73 | 20,533,000 | 19.63 | 3.57 | 2.35 |
| 1971–72 | 20,414,000 | 19.38 | 3.27 | 2.32 |
| 1970–71 | 20,168,000 | 17.69 | 3.06 | 2.25 |
| 1969–70 | 19,922,000 | 18.73 | 2.79 | 2.25 |
| 1968–69 | 19,664,000 | 16.73 | 2.47 | 2.18 |
| 1967–68 | 19,372,000 | 15.95 | 2.32 | 2.10 |
| 1966–67 | 19,041,000 | 16.90 | 2.21 | 2.09 |
| 1965–66 | 18,570,000 | 16.00 | 2.21 | 2.05 |
| 1964–65 | 18,255,000 | 16.48 | 2.17 | 1.96 |
| 1963–64 | 17,768,000 | 14.70 | 2.17 | 1.90 |
| 1962–63 | 17,211,000 | 14.88 | 2.12 | 1.86 |
| 1961–62 | 16,636,000 | 14.59 | 2.11 | 1.81 |
| 1960–61 | 16,114,000 | 14.46 | 2.13 | 1.74 |
| 1955–56 | 13,292,000 | 14.52 | 2.05 | 1.58 |
| 1950–51 | 10,886,000 | 15.38 | 1.96 | 1.84 |
| 1945–46 | 9,432,000 | 16.86 | 2.13 | 2.37 |
| 1940–41 | 7,094,000 | 10.71 | 2.51 | 1.60 |
| 1935–36 | 6,258,000 | 11.63 | 3.39 | 1.46 |

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces.
[r] Revised.

## TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1978–79

(In thousands of dollars)

| Fiscal year | Revenue [a] | Distributors' discounts [b] | Gross value of tax indicia [c] | Refunds | Amount set aside for cities and counties |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1978–79 | 268,816 | 2,303 | 271,805 | 1,369 | 80,645 |
| 1977–78 | 274,102 | 2,348 | 276,005 | 1,239 | 82,231 |
| 1976–77 | 269,385 | 2,309 | 272,015 | 832 | 80,815 |
| 1975–76 | 268,610 | 2,303 | 270,913 | 927 | 80,583 |
| 1974–75 | 261,975 | 2,246 | 264,346 | 745 | 78,593 |
| 1973–74 | 258,921 | 2,220 | 262,668 | 632 | 77,676 |
| 1972–73 | 253,602 | 2,174 | 255,774 | 626 | 76,081 |
| 1971–72 | 246,351 | 2,112 | 248,181 | 677 | 73,904 |
| 1970–71 | 239,195 | 2,051 | 241,870 | 552 | 71,764 |
| 1969–70 | 235,901 | 2,022 | 238,835 | 453 | 70,762 |
| 1968–69 | 237,159 | 2,032 | 239,376 | 492 | 71,140 |
| 1967–68 | 205,985 [d,e] | 1,786 | 209,654 | 356 | 52,059 [d] |
| 1966–67 | 75,597 | 1,543 | 77,130 | 136 | – |
| 1965–66 | 74,578 | 1,522 | 76,334 | 92 | – |
| 1964–65 | 74,477 | 1,520 | 75,948 | 56 | – |
| 1963–64 | 71,822 | 1,468 | 73,391 | 77 | – |
| 1962–63 | 70,194 | 1,437 | 71,836 | 79 | – |
| 1961–62 | 66,054 | 1,391 | 69,557 | 58 | – |
| 1960–61 | 66,024 [g] | 1,675 [f] | 67,372 | 76 | – |
| 1959–60 | 64,805 [h] | 767 [i] | 64,805 | 27 | – |

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1979 this amounted to $19,542,321 and on June 30, 1978, it amounted to $18,856,198.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,809 from the 4¢ per pack floor stocks tax levied on August 1, 1967; and $4,869,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $384,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

## TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1978–79

| Fiscal year | Distributions (millions of packages) | | | Per capita consumption (in packages) [a] |
|---|---|---|---|---|
| | Total | Tax paid | Tax exempt | |
| 1 | 2 | 3 | 4 | 5 |
| 1978–79 | 2,878 | 2,718 | 160 | 128.1 |
| 1977–78 | 2,926 [r] | 2,760 | 166 [r] | 132.4 |
| 1976–77 | 2,892 | 2,720 | 172 | 133.2 |
| 1975–76 | 2,896 | 2,709 | 187 | 135.6 |
| 1974–75 | 2,836 | 2,643 | 193 | 134.7 |
| 1973–74 | 2,834 | 2,627 | 207 | 136.4 |
| 1972–73 | 2,755 | 2,546 | 209 | 133.6 |
| 1971–72 | 2,714 | 2,499 | 215 | 132.9 |
| 1970–71 | 2,630 | 2,419 | 211 | 130.4 |
| 1969–70 | 2,588 | 2,387 | 201 | 129.9 |
| 1968–69 | 2,600 | 2,393 | 207 | 132.2 |
| 1967–68 | 2,688 | 2,475 | 213 | 136.8 |
| 1966–67 | 2,735 | 2,571 | 164 | 143.6 |
| 1965–66 | 2,703 | 2,544 | 159 | 144.8 |
| 1964–65 | 2,677 | 2,532 | 145 | 146.6 |
| 1963–64 | 2,577 | 2,446 | 131 | 145.0 |
| 1962–63 | 2,534 | 2,398 | 136 | 147.2 |
| 1961–62 | 2,449 | 2,319 | 130 | 147.2 |
| 1960–61 | 2,370 | 2,246 | 124 | 147.1 |
| 1959–60 | 2,176 | 2,071 | 105 | 139.7 |

[a] Based on latest estimate of January 1 population for each fiscal year.

[r] Revised.

## TABLE 31—NET 1978 TAXABLE INSURANCE PREMIUMS AND NET TAXES ASSESSED IN 1979, BY COMPANY

| Name of company | Net taxable premiums (in thousands) | Net tax assessed |
|---|---|---|
| 1 | 2 | 3 |
| **FIRE AND CASUALTY INSURERS** | | |
| Aetna Casualty & Surety Company | $240,996 | $5,663,404 |
| Aetna Insurance Company | 68,038 | 1,598,883 |
| Allianz Insurance Company | 38,416 | 902,765 |
| Allstate Insurance Company | 510,159 | 11,988,734 |
| American Home Assurance Company | 31,003 | 728,578 |
| American Insurance Company | 31,213 | 733,516 |
| American Motorists Insurance Company | 57,446 | 1,349,992 |
| American National Fire Insurance Company | 41,940 | 985,579 |
| Argonaut Insurance Company | 62,334 | 1,464,860 |
| Associated Indemnity Corporation | 177,555 | 4,172,533 |
| Cal-Farm Insurance Company | 63,458 | 1,491,255 |
| California Casualty Indemnity Exchange | 58,079 | 1,364,846 |
| California Casualty Insurance Company | 33,571 | 788,923 |
| California State Automobile Association Inter-insurance Bureau | 260,222 | 6,115,218 |
| Canadian Indemnity Company | 37,432 | 879,647 |
| Central National Insurance Company of Omaha | 65,961 | 1,550,072 |
| Civil Service Employees Insurance Company | 34,468 | 809,988 |
| Colonial Penn Franklin Insurance Company | 31,779 | 746,815 |
| Commercial Union Insurance Company | 36,460 | 856,816 |
| Continental Casualty Company | 55,427 | 1,302,533 |
| Continental Insurance Company | 88,535 | 2,080,571 |
| Continental Reinsurance Corporation | 53,102 | 1,247,900 |
| Employers Mutual Liability Insurance Co. of Wisconsin | 88,615 | 2,082,456 |
| Farmers Insurance Exchange | 363,844 | 8,550,334 |
| Federal Insurance Company | 69,376 | 1,630,333 |
| Fire Insurance Exchange | 91,699 | 2,154,922 |
| Fireman's Fund Insurance Company | 257,467 | 6,050,484 |
| Fremont Indemnity Company | 175,032 | 4,113,261 |
| Government Employees Insurance Company | 38,071 | 894,674 |
| Great American Insurance Company | 47,602 | 1,225,207 |
| Harbor Insurance Company | 35,814 | 841,635 |
| Hartford Accident and Indemnity Company | 149,856 | 3,521,606 |
| Hartford Fire Insurance Company | 53,222 | 1,250,714 |
| Home Insurance Company | 33,054 | 776,770 |
| Industrial Indemnity Company | 208,593 | 4,901,931 |
| Insurance Company of North America | 167,682 | 3,940,527 |
| Inter-Insurance Exchange of the Automobile Club of S. Cal. | 407,908 | 9,585,840 |
| Liberty Mutual Fire Insurance Company | 146,815 | 3,450,154 |
| Liberty Mutual Insurance Company | 52,452 | 1,232,612 |
| Lumbermens Mutual Casualty Company | 48,073 | 1,129,726 |
| Mercury Casualty Company | 70,370 | 1,653,699 |
| Mid-Century Insurance Company | 168,694 | 3,964,303 |
| Mission Insurance Company | 196,929 | 4,627,834 |
| National American Insurance Company of California | 38,140 | 896,282 |
| National Union Fire Insurance Co. of Pitts., Penn. | 87,661 | 2,060,042 |
| Northbrook Excess and Surplus Insurance Company | 35,586 | 836,313 |
| Ohio Casualty Insurance Company | 68,072 | 1,744,907 |
| Pacific Employers Insurance Company | 99,535 | 2,339,079 |
| Pacific Indemnity Company | 59,876 | 1,407,090 |
| Phoenix Insurance Company | 62,130 | 1,460,049 |
| Premier Insurance Company | 40,178 | 944,182 |
| Prudential Property and Casualty Insurance Company | 35,681 | 838,504 |
| Reliance Insurance Company | 37,583 | 883,303 |
| Republic Indemnity Company of America | 52,183 | 1,226,295 |
| Royal Globe Insurance Company | 68,979 | 1,621,005 |
| SAFECO Insurance Company of America | 118,938 | 2,795,046 |
| St. Paul Fire & Marine Insurance Company | 75,362 | 1,771,018 |
| State Compensation Insurance Fund | 454,449 | 10,679,544 |
| State Farm Fire and Casualty Company | 280,163 | 6,583,839 |
| State Farm General Insurance Company | 34,691 | 815,239 |
| State Farm Mutual Automobile Insurance Company | 547,505 | 12,866,472 |
| Transamerica Insurance Company | 66,012 | 1,598,281 |
| Travelers Indemnity Company | 149,461 | 3,512,343 |
| Truck Insurance Exchange | 203,340 | 4,778,496 |
| Twentieth Century Insurance Company | 48,891 | 1,148,943 |
| Unigard Mutual Insurance Company | 50,403 | 1,184,471 |
| United Pacific Insurance Company | 64,712 | 1,520,729 |
| United Services Automobile Association | 78,137 | 1,836,212 |
| United States Fidelity and Guaranty Company | 103,341 | 2,428,528 |
| West American Insurance Company | 74,483 | 1,750,353 |
| Western Employers Insurance Company | 54,016 | 1,269,388 |
| Zenith National Insurance Company | 58,989 | 1,385,779 |
| Zurich Insurance Company | 34,106 | 801,490 |
| 404 other fire and casualty insurers [a] | 2,285,800 | 54,394,392 |
| Totals for fire and casualty insurers | $10,419,237 | $245,981,975 |

[a] Each having a gross premiums tax of less than $700,000.

## TABLE 31—NET 1978 TAXABLE INSURANCE PREMIUMS AND NET TAXES ASSESSED IN 1979, BY COMPANY—Concluded

| Name of company | Net taxable premiums (in thousands) | Net tax assessed |
|---|---|---|
| 1 | 2 | 3 |
| **LIFE INSURERS** | | |
| Aetna Life Insurance Company | $304,091 | $7,040,069 |
| Allstate Life Insurance Company | 31,115 | 695,304 |
| American National Insurance Company | 52,015 | 1,290,474 |
| Bankers Life Company | 56,193 | 1,080,533 |
| Bankers United Life Assurance Company | 21,985 | 510,247 |
| Beneficial Standard Life Insurance Company | 25,421 | 382,090 |
| Cal-Farm Life Insurance Company | 35,925 | 821,395 |
| California Life Insurance Company | 14,798 | 347,741 |
| California Western States Life Insurance Company | 108,786 | 2,504,093 |
| Central National Life Insurance Co. of Omaha | 20,568 | 483,344 |
| Certified Life Insurance Company of California | 39,136 | 906,337 |
| Combined Insurance Company of America | 20,895 | 489,379 |
| Connecticut General Life Insurance Company | 252,419 | 5,777,421 |
| Connecticut Mutual Life Insurance Company | 39,699 | 783,764 |
| Continental Assurance Company | 48,143 | 1,074,491 |
| Credit Life Insurance Company | 19,809 | 490,032 |
| Crown Life Insurance Company | 59,138 | 1,378,360 |
| CUNA Mutual Insurance Society | 15,723 | 350,133 |
| Employee Benefits Insurance Company | 62,196 | 1,461,594 |
| Equitable Life Assurance Society of the United States | 294,115 | 6,102,497 |
| Family Life Insurance Company | 18,189 | 426,036 |
| Farmers New World Life Insurance Company | 28,166 | 647,109 |
| Fireman's Fund American Life Insurance Company | 24,114 | 516,504 |
| Franklin Life Insurance Company | 14,338 | 304,817 |
| General American Life Insurance Company | 55,125 | 1,264,580 |
| Great-West Life Assurance Company | 75,972 | 1,698,088 |
| Guardian Life Insurance Company of America | 28,653 | 632,004 |
| Home Life Insurance Company | 24,949 | 581,272 |
| ITT Life Insurance Corporation | 14,127 | 331,974 |
| John Hancock Mutual Life Insurance Company | 124,143 | 2,456,491 |
| Life Insurance Company of North America | 36,575 | 884,972 |
| Lincoln National Life Insurance Company | 82,537 | 1,883,225 |
| Manufacturers Life Insurance Company | 41,420 | 916,701 |
| Massachusetts Indemnity and Life Insurance Company | 12,843 | 301,330 |
| Massachusetts Mutual Life Insurance Company | 76,561 | 1,616,076 |
| Metropolitan Life Insurance Company | 382,579 | 8,678,252 |
| Minnesota Mutual Life Insurance Company | 18,235 | 393,642 |
| Mutual Benefit Life Insurance Company | 47,113 | 1,027,986 |
| Mutual Life Insurance Company of New York | 64,402 | 1,398,937 |
| Mutual of Omaha Insurance Company | 41,320 | 971,018 |
| National Home Life Assurance Company | 19,302 | 432,043 |
| National Life & Accident Insurance Company | 33,246 | 771,086 |
| New England Mutual Life Insurance Company | 47,095 | 963,659 |
| New York Life Insurance Company | 258,754 | 5,524,460 |
| Northwestern Mutual Life Insurance Company | 48,687 | 1,102,359 |
| Northwestern National Life Insurance Company | 17,074 | 392,496 |
| Occidental Life Insurance Company of California | 387,582 | 8,840,044 |
| Pacific Mutual Life Insurance Company | 218,825 | 4,697,534 |
| Pacific Standard Life Insurance Company | 18,788 | 432,148 |
| Paul Revere Life Insurance Company | 16,983 | 391,039 |
| Penn Mutual Life Insurance Company | 31,781 | 713,855 |
| Phoenix Mutual Life Insurance Company | 36,402 | 833,142 |
| Pilot Life Insurance Company | 15,817 | 396,278 |
| Provident Life & Accident Insurance Company | 59,161 | 1,359,712 |
| Provident Mutual Life Insurance Co. of Philadelphia | 16,438 | 361,544 |
| Prudential Insurance Company of America | 641,917 | 12,283,906 |
| Republic National Life Insurance Company | 61,519 | 1,435,473 |
| SAFECO Life Insurance Company | 17,252 | 398,694 |
| Security Benefit Life Insurance Company | 32,970 | 722,618 |
| Standard Insurance Company | 40,983 | 946,033 |
| State Farm Life Insurance Company | 41,365 | 896,744 |
| State Mutual Life Assurance Company of America | 24,501 | 537,721 |
| Travlers Insurance Company | 238,866 | 5,272,278 |
| Union Labor Life Insurance Company | 91,131 | 2,140,765 |
| Union-Mutual Stock Life Insurance Company of America | 18,004 | 413,468 |
| United Benefit Life Insurance Company | 52,972 | 1,204,706 |
| United Insurance Company of America | 18,586 | 436,306 |
| USLIFE Life Insurance Company of California | 16,653 | 371,982 |
| Washington National Insurance Company | 34,967 | 788,242 |
| West Coast Life Insurance Company | 22,398 | 514,161 |
| 402 other life insurers[a] | 1,155,445 | $26,090,160 |
| Totals for life insurers | $6,478,702 | $148,822,221[b] |
| Totals for fire and casualty insurers | 10,419,237 | 245,981,975[c] |
| Totals for title insurers | 300,383 | 7,081,686[c] |
| Totals for all insurers | $17,198,322 | $399,885,882[d] |

[a] Each having a gross premiums tax of less than $100,000.

[b] Retaliatory taxes of $1,139,592 for fire and casualty insurers, $938,130 for life insurers and $22,551 for title insurers have been included in the assessments by company.

[c] Includes retaliatory tax of $1,984,743.

[d] Includes retaliatory tax of $1,984,743.

## TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1978 AND 1979 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

| Type of insurer | Assessments on 1977 business | | Assessments on 1978 business | | Percent change in assessments |
|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Fire and casualty | 625 | $223,643,076 | 628 | $245,981,975 | 10.0 |
| Life | 568 | 130,983,391 | 573 | 142,892,221 | 9.0 |
| Title | 22 | 6,606,578 | 22 | 7,081,696 | 7.2 |
| Subtotals | 1,215 [b] | 361,233,045 | 1,223 [c] | 395,955,892 | 9.6 |
| Ocean marine | 69 | 74,843 | 90 | 144,456 | 93.0 |
| Totals | 1,284 [b] | $361,307,888 | 1,313 [c] | $396,030,348 | 9.6 |
| Adjustments: | | | | | |
| Deficiency assessments | 133 | 2,649,059 | 125 | 1,704,537 | – |
| Refunds and cancellations | 152 | 433,162 | 141 | 844,298 | – |
| Net adjustments | 285 | 2,215,897 | 266 | 860,239 | – |
| Grand totals | 1,569 [b] | $363,523,785 | 1,579 [c] | $396,890,587 | 9.2 |

[a] Includes self-assessments and board-assessments against companies licensed to write insurance on California risks.

[b] Includes 105 returns that reported no premiums tax liability and 171 retaliatory tax assessments totaling $8,389,781.

[c] Includes 117 returns that reported no premiums tax liability and 158 retaliatory tax assessments totaling $1,984,743.

## TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND NET TAXES ASSESSED, 1911–15 TO 1979 [a]

| Year of assessment | Number of assessments [b] | Gross premiums tax rate (percent) | Gross taxes assessed [c] | Local property tax credits allowed | Taxes assessed on underwriting profits: ocean marine [d] | Net taxes assessed [e] |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1979 | 1,038 [a] | 2.35 | $396,746,131 | – [k] | $144,456 | $396,890,587 |
| 1978 | 1,008 | 2.35 | 363,448,942 | – [k] | 74,843 | 363,523,785 |
| 1977 | 984 | 2.35 | 299,589,171 | – [k] | 37,018 | 299,626,189 |
| 1976 | 967 | 2.35 | 248,384,123 | $17,840,567 | 23,124 | 230,566,680 |
| 1975 | 992 | 2.35 | 211,975,984 | 16,731,201 | 79,999 | 195,324,782 |
| 1974 | 1,010 | 2.35 | 209,787,954 | 16,160,417 | 165,802 | 193,793,339 |
| 1973 | 989 | 2.35 | 195,049,519 | 16,406,592 | 141,337 | 178,784,264 |
| 1972 | 977 | 2.35 | 174,529,967 | 13,918,775 | 88,938 | 160,700,130 |
| 1971 | 915 | 2.35 | 160,307,804 | 11,673,670 | 45,488 | 148,679,622 |
| 1970 | 894 | 2.35 | 141,892,432 | 9,785,490 | 25,209 | 132,132,241 |
| 1969 | 830 | 2.35 | 130,895,320 | 7,610,137 | 13,518 | 123,298,701 |
| 1968 | 787 | 2.33 | 119,132,434 | 6,314,488 | 9,791 | 112,827,737 |
| 1967 | 782 | 2.33 | 111,445,400 | 6,377,277 | 4,213 | 105,072,336 |
| 1966 | 791 | 2.33 | 105,050,308 | 6,239,578 | 10,763 | 98,821,493 |
| 1965 | 833 | 2.33 | 97,782,471 | 5,601,383 | 24,785 | 92,205,873 |
| 1964 | 826 | 2.35 | 90,473,809 [f] | 4,979,745 | 38,516 | 85,532,580 [f] |
| 1963 | 815 | 2.35 | 82,531,529 | 4,766,754 | 44,475 | 77,799,250 |
| 1962 | 809 | 2.35 | 75,504,917 | 4,291,305 | 42,206 | 71,255,818 |
| 1961 | 767 | 2.35 | 71,235,283 | 3,854,507 | 39,688 | 67,420,464 |
| 1960 | 736 | 2.35 | 65,169,948 | 3,341,844 | 20,307 | 61,848,411 |
| 1959 | 711 | 2.35 | 58,377,347 | 3,153,606 | 13,601 | 55,237,343 |
| 1958 | 716 | 2.35 | 53,461,344 | 2,714,160 | 19,843 | 50,766,927 |
| 1957 | 728 [g] | 2.35 | 48,365,723 | 2,278,623 | 54,234 | 46,141,334 |
| 1956 | 828 | 2.35 | 44,476,726 | 2,026,931 | 83,296 | 42,533,091 |
| 1955 | 809 | 2.35 | 40,810,154 | 1,781,071 | 75,118 | 39,104,201 |
| 1954 | 803 | 2.35 | 40,040,521 | 1,601,342 | 61,743 | 38,500,922 |
| 1953 | 796 | 2.35 | 35,634,480 | 1,393,689 | 83,909 | 34,324,700 |
| 1952 | 782 | 2.35 | 30,384,576 [h] | 1,331,108 | 123,333 | 29,176,801 [h] |
| 1951 | 781 | 2.35 | 26,404,608 | 1,266,639 | 144,753 | 25,282,722 |
| 1946–1950 | 3,790 | [i] | 101,734,147 | 4,178,399 | 454,383 | 98,010,131 |
| 1941–1945 | 3,400 | [i] | 58,111,232 | 5,777,662 | 139,007 | 52,472,577 |
| 1936–1940 | 3,405 | 2.60 | 44,427,176 | 8,395,968 | 59,270 | 36,090,478 |
| 1931–1935 | 3,128 | 2.60 | 34,850,689 | 3,342,794 | 87,173 | 31,595,068 |
| 1926–1930 | 2,834 | 2.60 | 33,143,423 | 3,031,155 | – | 30,112,268 |
| 1921–1925 | 1,209 | 2.60 | 20,170,810 | 1,460,622 | – | 18,710,188 |
| 1916–1920 | 1,864 | 2.00 | 7,257,013 | 272,834 | – | 6,984,179 |
| 1911–1915 | 1,490 | [j] | 3,893,525 | 169,848 | – | 3,723,677 |

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1949 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior years' taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 186 retaliatory tax assessments and 460 returns that showed no tax liability, of which 117 were for life, casualty, and title insurers, and 343 for ocean marine insurers.

[f] Excludes $25,888,884, which represents the prepayments the companies assessed themselves, computed at the rate of 2.20 percent on the premiums written in the first quarter of 1964.

[g] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[h] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[i] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1946. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 95 percent; the next, 38 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[j] The gross premiums tax rate was 1.20 percent during 1911 and 1912, 1.75 percent in the following two years, and 2.00 percent in 1915.

[k] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 6, 1978, see Chapter 908, Statutes of 1978.

## TABLE 34—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1978–79

(In thousands of dollars)

| Fiscal year | Federal taxes [a] | State taxes other than disability insurance [b] | Local taxes and ad valorem assessments [c] | Total |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1978–79 | n.a. | 17,765,283 | 7,500,000 [d] | n.a. |
| 1977–78 | 42,772,775 | 16,266,712 | 12,791,000 [r] | 71,830,487 |
| 1976–77 | 37,997,043 [e] | 13,873,801 | 11,442,000 | 63,312,844 |
| 1975–76 | 38,091,997 | 11,661,724 | 10,093,000 | 49,846,721 |
| 1974–75 | 28,510,065 | 10,350,879 | 9,087,000 | 47,947,944 |
| 1973–74 | 24,959,348 | 8,503,309 | 8,141,345 | 41,604,002 |
| 1972–73 | 21,386,304 | 7,859,022 | 8,150,000 | 37,395,226 |
| 1971–72 | 18,962,545 | 7,066,506 | 7,325,000 | 33,374,051 |
| 1970–71 | 17,629,909 | 5,979,962 | 6,545,000 | 30,154,871 |
| 1969–70 | 18,596,235 | 5,851,911 | 5,789,464 | 30,237,610 |
| 1968–69 | 16,777,444 | 5,599,729 | 5,369,543 | 27,746,716 |
| 1967–68 | 15,455,808 | 5,090,195 | 4,787,145 | 25,333,148 |
| 1966–67 | 13,098,149 | 3,978,106 | 4,336,397 | 21,412,652 |
| 1965–66 | 11,085,100 | 3,889,945 | 3,896,042 | 18,871,087 |
| 1964–65 | 10,443,242 | 3,562,865 | 3,537,505 | 17,543,612 |
| 1963–64 | 10,534,708 | 3,369,236 | 3,247,449 | 17,151,393 |
| 1962–63 | 9,806,770 | 2,987,506 | 3,011,527 | 15,805,803 |
| 1961–62 | 9,091,751 | 2,673,724 | 2,769,131 | 14,534,606 |
| 1960–61 | 8,496,217 | 2,489,916 | 2,521,870 | 13,498,003 |
| 1959–60 | 7,997,711 | 2,364,532 | 2,306,318 | 12,668,561 |
| 1958–59 | 6,923,618 | 1,947,824 | 2,073,642 | 10,945,084 |
| 1957–58 | 6,753,950 | 1,786,026 | 1,856,780 | 10,396,756 |
| 1956–57 | 6,643,780 | 1,757,400 | 1,606,115 | 10,007,295 |
| 1955–56 | 6,008,419 | 1,654,153 | 1,400,489 | 9,063,061 |
| 1954–55 | 5,184,128 | 1,433,546 | 1,241,175 | 7,858,849 |
| 1953–54 | 5,356,963 | 1,339,870 | 1,121,205 | 7,818,038 |
| 1952–53 | 5,287,729 | 1,263,722 | 1,030,091 | 7,581,542 |
| 1951–52 | 4,645,285 | 1,214,772 | 933,783 | 6,793,840 |
| 1950–51 | 3,558,227 | 1,116,063 | 869,460 | 5,543,750 |

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,859,300,917 are included in the figure for 1978–79 but the State's unemployment compensation disability tax, on the other hand, which yielded $939,945,518 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the State as a service charge; (3) locally administered sales and use taxes; (4) franchises; (5) business license taxes; (6) animal licenses; (7) bicycle licenses; and (8) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy. The ad valorem special assessments of irrigation districts and other special-purpose districts that assess and collect their own levies instead of using county tax machinery were first included in 1967–68.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1, through September 30.

[r] Revised.

# State Board of Equalization Field Offices

**Out-of-State Business Taxes**

Sacramento (Headquarters)
Chicago
Houston
New York

**Board Members**

**Business Tax Field Offices**

**Property Tax Field Offices**

**Timber Tax Field Offices**

# CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

| District | Board Members | Office Address | Area Code | Telephone Number |
|---|---|---|---|---|
| First | GEORGE R. REILLY | 350 McAllister St., Room 2056, San Francisco 94102 | 415 | 557-1699 |
| Second | ERNEST J. DRONENBURG, JR. | 110 West C St., Suite 1709, San Diego 92101 | 714 | 237-7844 |
| Third | WILLIAM M. BENNETT | 1020 N St., Sacramento 95814 | 916 | 445-4081 |
| Fourth | RICHARD NEVINS | 333 E. Walnut St., P.O. Bin 77, Pasadena 91109 | 213 | 681-3551 |
| **SACRAMENTO HEADQUARTERS** | | **1020 N St., Sacramento 95814** | **916** | **445-6464** |

| Business Taxes Field Offices California Cities | Office Hours 8–5 Unless Otherwise Listed Below | Office Address | Area Code | Telephone Number |
|---|---|---|---|---|
| Auburn | 8-12 & 1-5 M thru F | 550 High St., Suite 3, 95603 | 916 | 885-8408 |
| Bakersfield | | 525 18th St., 93301 | 805 | 395-2880 |
| Bishop | 9-1 M thru F | 407 W. Line St., 93514 | 714 | 872-3701 |
| Chico | 8-12 & 1-5 M thru F | 227 W. Fifth St., 95927 | 916 | 342-3603 |
| Covina | | 233 N. Second Ave., 91723 | 213 | 331-6401 |
| Crescent City | 8-12 & 1-5 M thru F | 422 Second St., 95531 | 707 | 464-2321 |
| Downey | | 11229 Woodruff Ave., 90241 | 213 | 773-3480 |
| El Centro | 8-12 & 1-5 M thru F | 380 N. 8th St., Suite 4, 92243 | 714 | 352-3431 |
| El Cerrito | 8-12 & 1-5 M thru F | 11161 San Pablo Ave., El Cerrito 94530 | 415 | 540-2909 |
| Eureka | 8-12 & 1-5 M thru F | 1656 Union St., Room 119, 95501 | 707 | 442-4503 |
| Fresno | | 2550 Mariposa St., Room 2080, 93721 | 209 | 445-5285 |
| Hanford | 8-12 & 1-5 M thru F | 422 N. Douty St., Suite D, 93230 | 209 | 584-6631 |
| Hayward | 8-12 & 1-5 M thru F | 795 Fletcher Lane, 94544 | 415 | 881-3544 |
| Hollywood | | 5110 Sunset Blvd., 90027 | 213 | 663-8181 |
| Inglewood | | 630 N. LaBrea Ave., 90302 | 213 | 678-8964 |
| Long Beach | | 4140 Long Beach Blvd., 2nd Floor, 90807 | 213 | 636-2466 or 636-1206 |
| Madera | 8-12 & 1-5 M thru F | 501 North E St., 93637 | 209 | 674-2007 |
| Marysville | | 922 G St., 95901 | 916 | 674-4301 |
| Merced | 8-12 & 1-5 M thru F | 3191 M St., Suite A, 95340 | 209 | 383-2831 |
| Modesto | | 1020 15th Street, Suite E, 95354 | 209 | 522-5276 |
| Mt. Shasta | 9-12:30 & 1-3:30 M thru F | 326 N. Mt. Shasta Blvd., Suite B, 96067 | 916 | 926-4624 |
| Napa | 8-12 & 1-5 M thru F | 568 Third St., 94558 | 707 | 252-2131 |
| Nevada City | 8-12 & 1-5 M thru F | 301 Broad St., 95959 | 916 | 265-4628 |
| Oakland | | 1111 Jackson St., Room 7072, 94607 | 415 | 464-0347 |
| Ontario | 8-12 & 1-5 M thru F | 434 N. Lemon Ave., 91764 | 714 | 983-5969 |
| Oroville | 8-12 & 1-5 M thru F | 2445 Oro Dam Blvd., Suite 3A, 95965 | 916 | 534-2359 |
| Palmdale | 8-12 & 1-5 M thru F | 37925 Sixth St., East, 93550 | 805 | 947-8911 |
| Palm Desert | 8-12 & 1-5 M thru F | 73-900 El Paseo, Suite 3, 92260 | 714 | 346-8096 |
| Pasadena | | 333 E. Walnut St., 91101 | 213 | 793-9104 |
| Placerville | 8-12 & 1-5 M thru F | 100 Forni Rd., Suite 1B, 95667 | 916 | 622-1101 |
| Pleasant Hill | | 395 Civic Dr., Suite D, 94523 | 415 | 687-6962 |
| Quincy | 9-1 M thru F | 546 Lawrence St., 95971 | 916 | 283-1070 |
| Redding | | 2135 Akard St., 96001 | 916 | 246-6261 |
| Sacramento | | 1891 Alhambra Blvd., 95816 | 916 | 445-4911 |
| Salinas | | 21 W. Laurel Dr., Suite 59, 93906 | 408 | 443-3008 |
| San Bernardino | | 303 W. Third St., Suite 500, 92401 | 714 | 383-4701 |
| San Diego | | 1350 Front St., Room 5047, 92101 | 714 | 237-7289 |
| San Francisco | | 350 McAllister St., Room 2262, 94102 | 415 | 557-1877 |
| San Jose | | 1550 The Alameda, Suite 220, 95126 | 408 | 277-1231 |
| San Luis Obispo | | 940 Chorro St., 93401 | 805 | 549-3131 |
| San Mateo | | 520 So. El Camino Real, Suite 740, 94402 | 415 | 573-3578 |
| San Rafael | 8-12 & 1-5 M thru F | 496 B St., 94901 | 415 | 454-9511 |
| Santa Ana | | 28 Civic Center Plaza, Room 239, 92701 | 714 | 558-4051 |
| Santa Barbara | | 411 E. Canon Perdido St., Room 11, 93101 | 805 | 965-4535 |
| Santa Cruz | 8-12 & 1-5 M thru F | 303 Water St., Suite 6, 95060 | 408 | 423-6683 |
| Santa Maria | | 1529 Stowell Center Plaza, Suite B, 93454 | 805 | 925-7417 |
| Santa Rosa | | 983 Sonoma Ave., 95404 | 707 | 542-2377 |
| Sonora | 8-12 & 1-5 M thru F | 101 S. Stewart St., 95370 | 209 | 532-6979 |
| South Lake Tahoe | 8-12 & 1-5 M thru F | 3368 Lake Tahoe Blvd., Suite 302, 95705 | 916 | 544-4816 |
| Stockton | | 31 E. Channel St., Room 264, 95202 | 209 | 948-7720 |
| Susanville | 9-1 M thru F | 80 N. Roop St., 96130 | 916 | 257-3429 |
| Ukiah | 8-12 & 1-5 M thru F | 264 E. Smith St., 95482 | 707 | 462-2408 |
| Vallejo | 8-12 & 1-5 M thru F | 440 Santa Clara St., Suite 2, 94590 | 707 | 642-7546 |
| Van Nuys | | 14601 Sherman Way, 91405 | 213 | 873-1140 or 782-6220 |
| Ventura | | 4258 Telegraph Rd., 93003 | 805 | 654-4523 |
| Visalia | | 213 N. West St., 93277 | 208 | 732-5641 |
| West Los Angeles | | 11870 Santa Monica Blvd., 90025 | 213 | 879-0600 |
| Woodland | 8-12 & 1-5 M thru F | 96 W. Main St., Suite 2, 95695 | 916 | 662-7331 |
| **Out-of-State Field Offices** | | | | |
| Sacramento Headquarters | | 1820 14th St., 95814 | 916 | 322-2010 |
| Chicago, Illinois | | 150 N. Wacker Dr., Room 1550, 60606 | 312 | 782-7253 |
| New York, N.Y. | | 675 Third Ave., Room 520, 10017 | 212 | 697-4680 |
| Houston, Texas | (By appointment) | 9800 Northwest Freeway, Brookhollow 2, Suite 108, 77092 | 713 | 681-1106 |

| Property Tax Field Offices | | | |
|---|---|---|---|
| Eureka (Timber) | 1656 Union Street, Room 120, 95501 | 707 | 445-2031 |
| Fresno (Intercounty Equalization) | 2550 Mariposa St., Room 5014, 93721 | 209 | 445-5305 |
| Hayward (Intercounty Equalization) | 795 Fletcher Lane, 94544 | 415 | 881-3584 |
| Redding (Intercounty Equalization) | 662 Azalea St., 96001 | 916 | 246-6256 |
| Redding (Timber) | 2400 Washington Ave., Suite 210, 96001 | 916 | 246-6581 |
| Sacramento (Intercounty Equalization) | 1325 S Street, 95814 | 916 | 322-3820 |
| Sacramento (Timber) | 550 Bercut Drive, Suite A, 95814 | 916 | 445-6964 |
| Santa Ana (Intercounty Equalization) | 28 Civic Center Plaza, Room 131, 92701 | 714 | 558-4014 |
| Santa Ana (Valuation) | 28 Civic Center Plaza, Room 131, 92701 | 714 | 558-4011 |

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